

Report on Definitional and Statistical Issues Relating to Informal Economy



सत्यमेव जयते

**NATIONAL COMMISSION FOR ENTERPRISES
IN THE UNORGANISED SECTOR**

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Previous Reports of the National Commission for Enterprises in the Unorganised Sector

1. Social Security for Unorganised Workers, May 2006
2. National Policy on Urban Street Vendors, May 2006
3. Comprehensive Legislation for Minimum Conditions of Work and Social Security for Unorganised Workers, July 2007
4. Conditions of Work and Promotion of Livelihood in the Unorganised Sector, August 2007
5. Reports on Financing of Enterprises in the Unorganised Sector & Creation of a National Fund for the Unorganised Sector (NAFUS), November 2007

Previous Working Papers of the National Commission for Enterprises in the Unorganised Sector

1. Measure of Labour Force Participation and Utilization, January 2008
2. Contribution of the Unorganised Sector to GDP Report of the Sub Committee of a NCEUS Task Force, March 2008

November, 2008

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D.O. No. 25020/11/2005-NCEUS.
25th November, 2008.

Dear Prime Minister,

The National Commission for Enterprises in the Unorganised Sector has prepared a report on 'Definitional and Statistical Issues relating to the Informal Economy'. The absence of a harmonised definition of unorganised/ informal sector in the country and the requisite statistical data about the sector made the Commission to undertake the preparation of this report. It contains the definitions of 'informal sector' and 'informal employment' adopted by the Commission and the rationale for evolving these definitions. The report also provides the estimates of the contribution of informal sector to the national economy both in terms of employment and value addition in 1999-2000 and 2004-05 along with detailed profiles of persons employed in informal sector and those in informal employment.

The exercises undertaken by the Commission to prepare this report has brought to focus some of the inadequacies of the statistical system of the country, particularly in the measurement of employment in the informal sector, informal employment, quality of employment and the contribution of informal sector to GDP. As you are aware, the Indian economy is sharply divided between informal and formal sectors and our estimates show that 86 percent of the work force is employed in the informal sector whereas 92 percent of the work force is in informal employment. We find that there has been considerable increase in the informal employment between 1999-2000 and 2004-05. The availability of reliable statistical information about the sector on a regular basis is therefore of significant priority so that the trends in employment changes can be monitored closely. A number of recommendations are therefore included in this report to improve the quality of employment data and the contribution of the informal sector to GDP which, in our view, would enable more informed policy formulation for this sector.

With warm regards,

Yours sincerely,

Arjun Sengupta
Arjun Sengupta
Chairman

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Preface

The Commission, while reviewing its terms of reference to examine different aspects of the informal/unorganised sector, realized the need of a uniform definition of informal sector in India. Varying definitions and nomenclatures are being followed by different Government agencies to meet their specific requirements, which made it difficult to adopt a uniform approach to solving their problems. Evolving a definition reflecting the specific characteristics of the sector and its adoption was important for unambiguous identification of the sector for administering various policies and programs aimed at its sustainable development. The Commission, therefore, set-up a Task Force to review the existing definitions, evolve a set of criteria for defining the sector and formulate a harmonised definition of the informal sector. The Task Force examined all the existing national and international definitions in the context of contemporary structure and organisation of economic activities in the country, analysed the characteristics of the enterprises in different size classes based on data sets available from various surveys in different time periods and had wide consultations with experts, stake holders and statistical agencies.

Based on extensive analysis of all the relevant factors, the Task Force formulated a set of definitions of ‘informal sector’ and ‘informal employment’. While the definition of informal sector is based on the characteristics of the enterprises, the definition of informal employment is based on the conditions of employment. These definitions are consistent with the available international definitions and frame work. The Task force also estimated the contribution of informal sector to the national economy in terms of contribution to GDP and employment apart from analysing the characteristics of informal sector employment and informal employment.

The exercises undertaken by the Task Force brought out the deficiencies in the statistical system of the country. It made a number of recommendations for strengthening the statistical system in general in order to obtain reliable estimates of employment and contribution to GDP in the informal sector.

The Commission considered the report of the Task Force in detail and adopted it with certain minor modifications. The findings and recommendations contained in the report are of significant importance in the development process of the country. The Commission is of the view that the absence of reliable and timely statistical data on informal economy of the country has been a major constraint on the formulation of various development strategies in general and particularly those relating to employment generation and ensuring minimum quality of employment. It is expected that the National Statistical Commission and premier statistical agencies in the country will take note of the recommendations contained in this report and make serious efforts to bridge the existing data gaps.

The preparation of the report was shouldered by Dr. G. Raveendran, Consultant, Shri S. V. Ramana Murthy, Director and Shri Ajaya Kumar Naik, Consultant who undertook all the necessary tabulations and analysis for the consideration of the Commission under the guidance of Dr. K. P. Kannan, Member.

I am sure that the recommendations of this Report will be of immense relevance and interest not only to the official statistical agencies but also to the wider community of policy makers, planners, organisations representing informal workers and industries, researchers and students of the Indian economy and its development.

15th November 2008

Arjun Sengupta
Chairman, NCEUS

Acknowledgements

The Commission would like to acknowledge the contributions made by a large number of institutions and individual experts in the preparation of this report.

The analysis contained in this report is largely based on the unit level data sets made available by the National Sample Survey Organisation (NSSO) in respect of several nation wide surveys conducted by it at different points of time. The other organisations which made available valuable data sets were the Central Statistical Organisation (CSO), Directorate General of Employment and Training (DGET), and Small Industries Development Organisation (SIDO). The CSO and NSSO also actively participated in several meetings of the Task Force and its Sub-Group as well as the Advisory Board meetings of the Commission.

The papers prepared and presented to the Commission by Prof. Shiela Bhalla, Prof. Jeemol Unni and Dr.G. Raveendran were of immense use in the preparation of this report. The contributions of Dr.N.S Sastry, Ex-DG & CEO, NSSO in evolving various concepts and definitions were also commendable. Above all the work done by the Task Force in the preparation of the report is highly commendable.

The Commission also acknowledges the suggestions made by several members of the Advisory Board especially Shri Yugandhar, Member (Part-Time) of the Commission and Shri Joginder Kumar, Member, Advisory Board.

The Commission also had the opportunity to discuss the report in a seminar organised by CESS and IHD at Hyderabad .

This report would not have been possible but for the efforts of Dr G Raveendran Consultant, Shri S V Ramana Murthy, Director and Shri Mr. Ajaya Kumar Naik who undertook all the tabulations and analysis under the overall guidance of Dr K P Kannan, Member. Ms T. Sobha and Ms Swati Sachdev also provided computational assistance.

It is also placed on record the valuable services rendered by the staff of the Commission. Shri S. V. Ramana Murthy, Director, took on the main responsibility for coordinating all the activities relating to the preparation of this Report while Shri J. D. Hajela and Shri G Sajeewan, Directors provided technical support. Shri, Savitur Prasad, Joint Secretary, and Ashutosh Mishra, Director, Shri D. P. Singh and Shri Suresh Kumar, Under Secretaries, and Shri H. S. Chhabra, Section Officer, provided administrative and logistical support in the finalization of this report. The supporting staff of the Commission also provided excellent assistance in the completion of the report.

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EXECUTIVE SUMMARY

The Commission and the Task Force.

1. The National Commission for Enterprises in the Unorganised Sector (NCEUS) was set-up by the Government vide Resolution No: 5(2)/2004-ICC dated 20th September, 2004 under the chairmanship of Dr. Arjun Sengupta as an advisory body to recommend measures considered necessary for enhancing the competitiveness of the unorganised sector in the emerging global environment and generation of large scale employment opportunities on a sustainable basis. The terms of reference of the Commission, among other things, included review of (i) the status of unorganised/informal sector in India; including the nature of enterprises, size, spread and scope and magnitude of employment and (ii) the existing arrangements for estimating employment and unemployment in the informal sector. The Commission was also required to suggest elements of an employment strategy focusing on the informal sector.

2. The Commission evolved a set of definitions consistent with conditions prevailing in India and international recommendations. The Commission also had the benefit of a Task force which considered all the existing definitions, both national and international, analysed the characteristics of the enterprises having different employment sizes, and examined the size classes specified for the applicability of various legislations relating to conditions of work and social security. The Task Force also constituted a Sub-Committee to examine the methods of estimating the contribution of the unorganised sector to GDP. Based on such a comprehensive analysis of all the available material and in-depth discussions, [Para 1.1.1 & 1.2.3]

International Definitions

3. The informal sector consists of units engaged in the production of goods or services with the primary objective of generating employment and income to the persons engaged in the activity. These units form part of the household sector as un-incorporated enterprises owned by households. The broad characteristics of these units are:-

- (i) private un-incorporated enterprises (enterprises owned by individuals or households that are not constituted as separate legal entities independent of their owners),
- (ii) no complete accounts are available that would permit a financial separation of the production activities of the enterprise,
- (iii) produces atleast some part of the goods or services for sale or barter,
- (iv) the employment size of the enterprise is below a certain threshold (to be determined according to national circumstances),
- (v) and / or not registered under specific form of national legislation. [Para 2.1.2]

4. Employees are considered to have informal jobs, if their employment relationship is, in law or in practice, not subject to labour legislation, income taxation, social protection or entitlement to certain employment benefits (advance notice of dismissal, severances of pay, paid annual or sick leave, etc. [Para 2.1.2 & 2.1.5]

Definitions in India

5. The different organisations in India have been using varying definitions of unorganised sector, depending on the specific requirements of each organisation. The National Sample Survey Organisation (NSSO) has been classifying all the manufacturing units not covered under the Annual Survey of Industries as unorganised sector for the purpose of various surveys. In the case of services, the enterprises neither run by the Government nor included in the public sector are considered as unorganised. [Para 2.2.10]

6. In the compilation of National Accounts, the term unorganised sector is used differently and consisted of residual enterprises which are not included in the organised sector. The organised sector in specific segments of the economy is, however, defined differently on the basis of availability of production statistics on a regular basis. [Para 2.2.11 & 2.2.12]

7. The Directorate General of Employment and Training (DGET) has been classifying all the establishments employing ten workers and above into 'organised sector' though the provisions of the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 are applicable only to establishments employing 25 or more persons in the private sector. [Para 2.2.14]

Labour Laws and of Employment Size

8. Employment size is used as a criteria for deciding the applicability of most of the labour legislations except for a few. Thus the workers employed in industrial units not having a minimum of ten workers are generally not eligible for most of the job, work and social security benefits. [Para 2.3.9]

Survey Findings

9. The Commission analyzed the data sets relating to NSS 55th Round survey on Informal Sector, 56th Round survey on unorganised manufacturing, 57th Round survey on unorganised services sector, third All India Census of Small Scale Industries conducted during 2002-03 and Economic Census conducted in 2005. It is noted that the characteristics of enterprises employing less than ten workers in terms of legal status, productivity and other economic parameters are distinctly different from those units employing ten or more workers. A size criteria in terms of number of workers in addition to ownership criteria is, therefore, found to be appropriate in defining informal sector. [Para 2.5.1]

Proposed definitions

10. The Commission therefore proposes the following definition for the informal sector in India:

"The informal sector consists of all unincorporated private enterprises owned by individuals or households engaged in the sale and production of goods and services operated on a proprietary or partnership basis and with less than ten total workers". [Para 2.5.7]

11. In the case of agriculture, is the Commission recommends that each operational holding in the crop production and plantation may be considered as an enterprise. In the case of other agricultural activities like forestry, animal husbandry and fishing, the general definition of enterprise as used in economic census and non-agricultural sector surveys can be adopted. An operational holding is a techno-economic unit constituted of all land that is used wholly or partly for agricultural production and is operated by one person alone or with assistance of others, without regard to title, size or location. The holding may consist of one or more parcels of land, provided that they are located within the country and that they form part of the same techno-economic unit. However, till such data sets become available the crop production may be considered as informal sector and plantations as defined under Plantations Act. may be considered as formal. [Para 2.5.9 & 2.5.10]

12. In the case of informal workers, as distinct from informal sector that consists of enterprises, the Commission recommends the following definition:

"Informal workers consist of those working in the informal sector or households, excluding regular workers with social security benefits provided by the employers and the workers in the formal sector without any employment and social security benefits provided by the employers". [Para 2.5.7, 2.5.9 & 2.7.4]

Size and Distribution of Informal Sector Workers

13. As per NSS 55th Round Survey on Employment- Unemployment, the estimated total employment in the country during 1999-2000 was 396.76 million and among them the estimated informal sector workers were 342.64 million. The estimates of total employment and informal sector workers as per 61st Round Survey during 2004-05 were 457.46 million and 394.9 million respectively. As per both the surveys more than 86 per cent of total employment was in the informal sector. [Para 3.2.1]

14. In 1999-2000, 67.77 per cent of informal sector workers were in agriculture, 13.08 per cent in industry and 19.15 per cent in services. By 2004-05, these shares changed to 64.02 per cent in agriculture, 15.28 per cent in industry and 20.61 per cent in services. [Para 3.2.4]

15. In the year 2004-05 about 79.79 per cent of the informal sector workers were in rural areas as against a share of 75 per cent in total workers. Thus informal sector workers are concentrated more in rural areas. [Para 3.3.2]

16. About 34.21 per cent of the informal sector workers in 2004-05 were females as against 32.36 per cent in total work force. Thus the share of women in the informal sector is more than their share in total work force. However, in urban areas, the share of women in informal sector was lower than their share in total work force. [Para 3.3.1]

17. The top twelve industry groups which accounted for about 94.87 per cent of the informal sector employment were agriculture (64.02 per cent), retail trade (8.68 per cent) construction (4.98 per cent), land transport (3.26 per cent) manufacture of textiles (1.89 per cent), manufacture of wearing apparel, dressing and dyeing of fur (1.61 per cent), other community, social and personal services (1.39 per cent), hotels & restaurants (1.34 per cent), manufacture of wood and products of wood and cork except furniture (1.27 per cent), whole sale trade (1.20 per cent) private households with employed persons (1.19 per cent) and manufacture of food products and beverages (1.04 per cent). [Para 3.4.3]

18. In general, the informal sector employed more of less qualified and less of qualified workers. [Para 3.6.4]

19. Though the percentage shares of self-employed among males and females had a difference of only about 2.95 percentage points in favour of females, the major difference was that about 47.48 per cent of females were unpaid family workers as against 16.54 per cent of males and only 18.12 per cent of females were own account workers as against 44.72 per cent of males. [Para 3.7.6]

20. The percentage shares of scheduled caste and scheduled tribe workers in the informal sector were much higher than their percentage shares in total work force. [Para 3.8.3]

21. The shares of informal sector workers in the lower monthly per capita expenditure classes were much higher than the percentages of total workers in those classes. The skewness is more pronounced in the urban areas. [Para 3.9.2 & 3.9.3]

22. The percentage shares of informal sector workers out of total workers were the highest in Bihar (96.19 per cent), Uttar Pradesh (92.47 per cent), Rajasthan (91.16 per cent), Orissa (90.08 per cent), Chhattisgarh (89.71 per cent), Madhya Pradesh (89.06 per cent), Andhra Pradesh (88.28 per cent), Jharkhand (87.61 per cent), Uttaranchal (87.38 per cent) and Karnataka (86.32 per cent). [Para 3.10.3]

Size and Distribution of Informal Workers

23. Out of the total work force, 91.2 per cent of the workers in 1999-2000 and 92.4 per cent in 2004-05 were informal workers. [Para 4.2.2]

24. In 1999-2000, 64.90 per cent of the informal workers were in agriculture, 15.35 per cent in industry and 19.75 per cent in services. By 2004-05, the percentage shares were changed to 60.59 per cent in agriculture, 18.13 per cent in industry and 21.27 per cent in services. [Para 4.3.2]

25. The informal workers increased significantly in mining, manufacturing, hotels and restaurants, transport and real estate, renting and business services between 1999-2000 and 2004-05. [Para 4.4.9]

26. The employment in Public Administration and Defence, Social & Personal services declined significantly during 1999-2000 to 2004-05. [Para 4.4.10]

27. Indices of informal workers by level of education reveal that illiterates and other less qualified workers were more among informal workers than among formal workers invariably in all categories. Similarly, workers with secondary and higher levels of education were less among informal workers than among formal workers. [Para 4.7.6]

28. The difference between male and female informal workers in activity status was more adversely balanced against women in rural areas. While the self-employed among rural male informal workers was 60.1 per cent, such workers among females were 64.5 per cent. Among the self-employed, only 17.3 per cent of the males were unpaid family workers while the percentage of such workers among females were 48.6 per cent. Similarly, the share of regular wage employees among females was only 2.2 per cent as against a share of 5.5 per cent among males. [Para 4.8.4]

29. The indices of shares of informal workers by activity status indicate that all categories of informal workers except employers and regular wage employees

have a larger share among both males and females in rural areas. In the urban areas also, the informal workers have a larger share among all categories of workers except in the case of the regular wage employees and urban female employers. [Para 4.8.6]

30. It is also revealed that the shares of SCs, STs and OBCs among informal workers were relatively higher than their shares in total work force including formal workers. By sector and sex rural areas have more than proportionate shares of informal workers. [Para 4.9.4]

31. The indices of shares of rural informal workers by MPCE classes indicate that the percentage shares of informal workers in the lower expenditure classes were higher than the shares of total workers, while in higher expenditure classes the shares of informal workers were lower. This was true both for males and females. The expenditure class in which shares were equal was Rs.580-690. Beyond this expenditure class, the formal workers had a larger share. [Para 4.10.3]

32. The indices of shares of rural informal workers by sex indicate that the share of female informal workers were generally higher in most of the expenditure classes, particularly in top expenditure classes, than the shares of females in the total work force. Thus most women in rural areas have informal work than formal work. [Para 4.10.4]

33. The indices of shares of urban informal workers by MPCE classes revealed that the shares of female informal workers in expenditure classes upto Rs.1380 to 1880 were higher, but in the last two expenditure classes the shares of men were higher than those in the total workers. [Para 4.10.7]

34. The top ten States which had the highest percentage of informal workers were the same as those which had the highest percentage of informal sector workers with some change in the order. While Madhya Pradesh was the fifth in the descending order of percentage shares of informal sector workers, it became sixth in the same order of informal workers. Similarly, Karnataka and Bihar exchanged 8th and 9th positions. These ten States taken together accounted for 77.6 per cent of the total informal employment. [Para 4.11.2]

35. The indices of shares of informal workers by sector and sex, revealed that the percentage shares of informal workers in rural areas was invariably high in almost every state except Kerala in which the shares of informal workers and total workers were exactly the same.

Similarly, the percentage shares of females in informal workers were higher as compared to shares of females in total workers in most of the States except Kerala, Tripura, Chandigarh, Delhi and Lakshadweep. In these States, the percentage shares of females in formal employment were much higher. [Para 4.11.8]

Estimation of Informal Sector GDP

36. The Commission recommends a modified apportioning method for the estimation of the contribution of informal sector to GDP. The method takes into account both the employment and productivity differentials between informal and formal sectors. [Para 5.7.1]

37. The share of informal sector in the total GDP reduced by about 5.48 percentages points between 1999-2000 and 2004-05. It is primarily due to increase in labour productivity of formal sector and declines in the establishments and GDP contribution of informal sector in some of the industry groups. [Para 5.6.2]

38. There were considerable declines in the informal sector GDP in the case of mining, electricity, gas and water supply and Public Administration & Defence. These sectors were primarily in the public sector and informal sector employment in the last two industry groups reduced considerably during the period from 1999-2000 to 2004-05. In the case of mining, though there was no absolute decline in informal sector employment, its share as a percentage of total employment declined significantly. This may be due to restrictions /bans imposed by different state governments on various types of quarrying. There were also declines in employment both in informal and formal sectors, though GDP growths were positive. [Para 5.6.3]

39. The overall employment elasticity of informal sector was as high as 0.71 as compared to 0.36 in the organised sector and 0.48 in the case of the entire economy. Among different industries, informal sector agriculture had an employment elasticity of 1.50 as against 0.19 in the formal sector. In the case of manufacturing, the informal sector elasticity was 1.04 as against 0.58 in the formal sector. Real state, renting and business services in the informal sector had an abnormally high employment elasticity of 3.09. Elasticity was also considerably high in the case of private households with paid employees who are almost entirely in the informal sector. [Para 5.8.2]

Statistical System and the Informal Economy

40. The Commission is of the view that the two serious national issues of unemployment and poverty can be tackled only by increasing the quantity and quality of employment in the informal sector as the sector is capable of absorbing less educated and socially backward classes of workers. [Para 6.2.6]

41. Lack of reliable statistics on the size, distribution and economic contribution of the sector, however, has been a major constraint in providing a realistic understanding of the significance of the sector in the Indian economy, leading to its neglect in development planning. It is, therefore, important that the statistical system of the country is reoriented to measure the economic and social significance of informal sector in the national economy as well as in the development process of various States/Union Territories. [Para 6.2.6]

42. The deficiencies in statistics relating to different aspects of informal sector and informal employment do affect the estimation of various macro-economic variables like GDP, price variations and employment leading to lop sided development policies. Systematic efforts are therefore required for improving and strengthening the statistical system of the country. In particular, steps need to be taken for obtaining complete and coherent sets of estimates directly for both informal and formal sectors. [Para 6.3.1]

Recommendations

Harmonizing Definitions

43. The first and foremost step in improving statistics of informal sector is to harmonise the multiplicity of definitions currently in use and adopt a definition based on the characteristics of the sector rather than availability of statistics. The definitions of 'informal sector' and 'informal employment' evolved by the Commission thus need to be employed in all the statistical operations for the estimation of employment and other socio-economic characteristics. The Commission recommends the use of 'informal sector' and 'informal employment' instead of unorganised sector and unorganised employment as the term 'unorganised' in the Indian context has a historically acquired meaning. . [Para 6.3.2 & 6.2.5]

Formal Non-Agricultural Sector

44. The availability of comprehensive and updated Business Register is essential for conducting annual

surveys of manufacturing and non-manufacturing industries as well as for tracking industrial climate and making business forecasts. The creation and maintenance of a Business Register covering 'bigger' establishments in all sectors of the economy so as to provide the necessary list frames for conducting annual surveys therefore needs to be expedited as recommended by the Rangarajan Commission. [Para 6.3.3]

45. Introduce annual surveys of non-manufacturing enterprises in line with the Annual Survey of Industries so that the contribution of services sector to GDP can be estimated more reliably and on an annual basis. [Para 6.3.4]

46. Since employment is an important macro-economic variable, data on number of persons employed at the beginning and end of the survey year along with details of addition and attritions need to be collected in the annual surveys of both the manufacturing and non-manufacturing industries apart from collecting details of man-days worked. In the absence of such data, no realistic employment strategies can be formulated. [Para 6.3.5]

47. The Commission is of the view that the present system of approximating the organised sector employment with the estimates provided by the Directorate General of Employment and Training (DGET) needs to be discontinued. In its place, the quinquennial and annual employment- unemployment surveys of NSSO be used for the estimation of employment in organised and unorganised sectors. [Para 6.3.6]

48. The agencies like the Directorate of Economics & Statistics in the Ministry of Agriculture, Indian Bureau of Mines, Central Electricity Authority, which provide data sets to CSO for the preparation of National Accounts Statistics be mandated by the Central Government to provide such data sets separately for informal and formal sector establishments. [Para 6.3.7]

Informal Non Agricultural sector

49. Enterprise surveys covering all sectors of the economy including agriculture, mining; electricity, gas and water supply; trade; transport; hotels; restaurants; construction; education; health; financial services and other community and social services have to be conducted on a regular basis. Detailed surveys with completely fresh samples have to be conducted once in five years. However, such surveys have to be conducted as two parallel surveys with separate first stage samples for (i) the secondary sector comprising of mining, construction,

electricity, gas and water supply and manufacturing, and (ii) Tertiary sector comprising of trade, transport, education, health, financial intermediation and other community & social services. The first stage units selected for such detailed surveys have to be retained as panels for collecting data on a few selected indicators like enterprise mortality, employment, addition of fixed capital and output on an annual basis till the next detailed surveys are undertaken. The results of these indicator surveys can be used for bringing forward base year estimates. [Para 6.3.8]

50. The Commission feels that a major limitation of enterprise surveys in unorganised sector has been the under-estimation of economic variables like income and value added. It is primarily due to difficulties in the separation of household and enterprise expenditures and non-maintenance of accounts by most of the enterprises in the unorganised sector. It is however important that reliability of such estimates are improved for obtaining direct estimates of contribution of informal sector to GDP. Integration of household income and expenditure surveys with enterprise surveys is considered to be a feasible method for enhancing the reliability of estimates of both the household expenditures and income from entrepreneurial activities. It is, therefore, recommended that methodological surveys for improving the survey methods may be pursued on a continuing basis so that reliability of income and value added estimates from enterprise surveys can be enhanced. [Para 6.3.9]

Quinquennial Employment – Unemployment Surveys

51. The quinquennial Employment-Unemployment surveys being undertaken by the National Sample Survey Organisation (NSSO) and the population census do provide estimates of labour force, participation rates and unemployment rates by using different measurement methods. These surveys, however, do not capture several dimensions of quality of employment. In the absence of any data on such crucial parameters like job security, average earnings, hours of work, time related under-employment, social protection, recent job training, etc, both for self-employment and wage workers, no realistic employment strategies can ever be evolved. It needs to be recognised that statistics of quality and quantity of employment are as important as statistics of production and value added in development planning. It is well recognised that collection of reliable data on income from self employed is a difficult task. The intention, however, is to judge the quality of employment in terms of

approximate average earnings from the activity and to assess the extent to which self-employment is being pursued as a means of subsistence. It is, therefore, adequate if the average earnings from the self employment activity during the reference year as reported by the informant is collected. The quinquennial employment-unemployment surveys therefore need to be strengthened and data on job security, average earnings, periods of unemployment, hours of work, etc are sought both from self-employed including unpaid family workers and wage workers. [Para 6.3.10]

52. Cross validation of estimates available from different sources is an important statistical exercise to understand the causes of variation and improving the survey estimates. The estimates of average earnings of self-employed and wage workers obtained from employment-unemployment surveys will provide a basis for cross validation of estimates available from enterprise surveys. It is, therefore, recommended that employment-unemployment surveys be suitably modified as mentioned above and cross validation exercise may be undertaken as and when such surveys become available. [Para 6.3.11]

Annual Employment-Unemployment Surveys

53. The annual employment-unemployment surveys presently being conducted by the NSSO are useful in monitoring employment trends and estimating employment generation in different sectors of the economy. The survey schedule, however, needs to be modified to include classificatory variables like type of enterprise and its employment size; availability of paid annual leave and social security benefits so that various parameters relating to quality of employment along with formal and informal sector break up can be assessed. There is, therefore, a strong case not only for continuing these annual surveys but also to strengthen them to estimate the employment generation in formal and informal sectors. [Para 6.3.12]

54. As per the present system of compilation of national accounts, it is difficult to have exact matching between labour inputs and value added estimates at the level of compilation categories classified according to organised and unorganised sectors due to variations in sources of data. It is, therefore recommended that sources of data should be chosen in such a way that exact matching becomes possible. [Para 6.3.13]

Agricultural Enterprise Survey

55. It is recommended that operational holdings may be treated as enterprises in agriculture and details like type of enterprise, employment size, etc. be collected in employment-unemployment and enterprise surveys. [Para 6.3.14]

56. The agriculture and livestock census being conducted periodically may be synchronized and follow up agricultural enterprise surveys may be conducted in the case of agriculture. [Para 6.3.15]

National Accounts Statistics

57. The estimation of the contribution of informal sector to GDP has to become an integral part of National Accounts Statistics (NAS) so that reliable estimates are available on an annual basis. The statistical system of the country, therefore, needs to be strengthened as indicated

above, so as to generate the data sets required for over all improvement of the national accounts statistics in general and for obtaining direct estimates of informal sector GDP annually. In the mean time, the modified apportioning method, as recommended in this Report, may be used as an adhoc procedure for estimating the contribution of informal sector to the GDP of the country. [Para 6.3.16]

Concluding Remarks

India has built up, over the years, an elaborate and competent statistical system both in terms of institutions as well as professional manpower. However, given the complex nature of the economy especially with reference to the co-existence of different systems of organisation of production, it is important that we further fine tune and strengthen the statistical system to meet the challenges of growth and development in the 21st century. [Para 6.4]

1

Introduction

1.1 The Commission

1.1.1 The National Commission for Enterprises in the Unorganised Sector (NCEUS) was set-up by the Government vide Resolution No:5(2)/2004-ICC dated 20th September, 2004 under the chairmanship of Dr. Arjun Sengupta as an advisory body to recommend measures considered necessary for enhancing the competitiveness of the unorganised sector in the emerging global environment and generation of large scale employment opportunities on a sustainable basis. The terms of reference of the Commission, among other things, included review of (i) the status of unorganised/informal sector in India; including the nature of enterprises, their size, spread and scope and magnitude of employment and (ii) the existing arrangements for estimating employment and unemployment in the informal sector. The Commission was also required to suggest elements of an employment strategy focusing on the informal sector. The Terms of Reference, Composition and Advisory Board members of the Commission are in Appendix-I, II and III respectively.

1.2 The Task Force

1.2.1 The Commission, while reviewing its terms of reference, realized the absence of a uniform definition of unorganised/informal sector in India. The adoption of a definition reflecting the characteristics of the sector, therefore, became

necessary for unambiguous identification of the sector and administration of various policy recommendations for its sustainable development. The Commission, therefore, set-up a Task Force to review the existing definitions, evolve a set of criteria for defining the sector and formulate common definitions of unorganised/informal sector and unorganised/informal employment.

1.2.2 The full text of the notifications constituting the Task Force and modification of its composition are in Appendices –IV &V.

1.3 Lay out of the Report

1.3.1 The report contains six chapters including this introductory chapter. The second chapter discusses the definitional issues and provides definitions of informal sector and informal employment. The size and distribution of informal sector employment is included in the third chapter and the size and distribution of informal employment is given in the fourth chapter. Estimates of contribution of informal sector to Gross Domestic Product are provided in the fifth chapter. The statistical system of the country in relation to the informal economy has been reviewed and a set of recommendations for strengthening the same have been included in the sixth chapter. In addition an Executive Summary containing the main findings and recommendations is given in the beginning of the report as chapter zero.

2

Concepts and Definitions

2.1 The Concept and International Definitions

2.1.1 The term ‘informal sector’ signifies a conglomerate of tiny units engaged in the production of goods and services as a means for survival. Though the contribution of these units to the economy of several nations, particularly developing countries, has been very significant, the same has not been recognized and recorded statistically in most countries. The term ‘informal sector’ itself came into existence in the international literature only after the visit of an International Labour Organization (ILO) employment mission to Kenya in 1972. The ILO then evolved a conceptual framework and guidelines for the collection of statistics on informal sector and presented the same in the “Fifteenth International Conference of Labour Statisticians (ICLS)” held in February, 1993 in the form of a resolution. The resolution adopted by the 15th ICLS was endorsed by the UN Statistical Commission in July, 1993 and it was made a part of the “System of National Accounts (SNA), 1993” by the UN Economic and Social Council (UN, 1993).

2.1.2 As per SNA (1993), the informal sector consists of units engaged in the production of goods or services with the primary objective of generating employment and income to the persons engaged in the activity. These units form part of the household sector as un-incorporated enterprises owned by households. The broad characteristics of these units are :-

- (i) private un-incorporated enterprises (enterprises owned by individuals or households that are not constituted as separate legal entities independent of their owners),

- (ii) no complete accounts are available that would permit a financial separation of the production activities of the enterprise,
- (iii) produces atleast some part of the goods or services for sale or barter,
- (iv) the employment size of the enterprise is below a certain threshold (to be determined according to national circumstances),
- (v) and / or not registered under specific form of national legislation.

2.1.3 The Expert Group on Informal Sector Statistics (Delhi Group) which came into existence in 1997 as one of the City Groups of United Nations Statistical Commission (UNSC) deliberated in its various meetings, the issue of operationalising the definition of informal sector for producing comparable statistics across the countries and concluded that national definitions of informal sector cannot be fully harmonized as it manifests itself in different ways in different countries. However, in order to enhance the international comparability of informal sector statistics, the Delhi Group recommended as follows :-

- (i) all countries use the criteria of legal organization (un-incorporated enterprises), of type of accounts (no complete set of accounts) and of product destination (as atleast some market output),
- (ii) specification of the employment size limit of the enterprise in national definition of the informal sector is left to the country’s discretion. For international reporting, however, countries should provide figures

- separately for enterprises with less than five employees. In the case of multiple establishment enterprises, the size limit should apply to the largest establishment,
- (iii) countries using the employment size criteria provide disaggregated figures for enterprises, which are not registered, as well as for enterprises, which are registered.
 - (iv) countries using the criterion of non-registration provide disaggregated figures for enterprises with less than five employees as well as for enterprises with five and more employees,
 - (v) countries which include agricultural activities, should provide figures separately for agricultural and non-agricultural activities,
 - (vi) countries should include persons engaged in professional or technical activities if they meet the criteria of the informal sector definition,
 - (vii) countries should include paid domestic services unless these are provided by employees,
 - (viii) countries should provide figures separately for outworkers / home workers included in the informal sector,
 - (ix) countries covering urban as well as rural areas should provide figures separately for both urban and rural areas, and
 - (x) countries using household surveys or mixed surveys should make an effort to cover not only persons whose main job is in the informal sector, but also those whose main job is in another sector

and who have a secondary activity in the informal sector;

2.1.4 The Delhi Group also recommended in its fifth meeting in 2001, that the definition and measurement of employment in the informal sector need to be complemented by a definition and measurement of informal employment. This recommendation was discussed in the Seventeenth International Conference of Labour Statistician (ICLS) held in 2003 and endorsed a set of guidelines to complement the resolution concerning statistics of employment in the informal sector adopted by the 15th ICLS.

2.1.5 As per the resolution, employees are considered to have informal jobs if their employment relationship is, in law or in practice, not subject to labour legislation, income taxation, social protection or entitlement to certain employment benefits (advance notice of dismissal, severances of pay, paid annual or sick leave, etc.). The reasons for the same may include the following:-

- (i) non – declaration of the jobs of the employees,
- (ii) casual jobs or jobs of a limited short duration,
- (iii) jobs with hours of work or wages below a specified threshold,
- (iv) jobs where the employees place of work is outside the premises of the employer's premises, and
- (v) jobs for which labour regulation are not applied, not enforced or not complied with for any other reason.

2.1.6 The conceptual framework of informal employment is presented in the form of a matrix as shown in Figure 1.

Fig. 2.1: Matrix on Conceptual Framework of Informal Employment

Production units by type	Jobs by status in employment									
	Own-account workers		Employers		Contributing family workers	Employees		Members of producers' cooperatives		
	Informal	Formal	Informal	Formal	Informal	Informal	Formal	Informal	Formal	
Formal sector enterprises					1	2				
Informal sector enterprises (a)	3		4		5	6	7	8		
Households (b)	9					10				

- (a) As defined by the Fifteenth International Conference of Labour Statisticians (excluding households employing paid domestic workers).
- (b) Households producing goods exclusively for their own final use and households employing paid domestic workers.

Cells shaded dark refer to jobs, which by definition, do not exist in the type of production unit in question. Cells shaded light refer to formal jobs. Un-shaded cells represent the various types of informal employment as listed below:-

- (i) Own-account workers employed in their own informal enterprises (Cell 3)
- (ii) Employers employed in their own informal sector enterprises (Cell 4)
- (iii) Contributing family workers, irrespective of whether they work in formal or informal sector enterprises (Cells 1 and 5)
- (iv) Members of informal producer's co-operatives (Cell 8)
- (v) Employees holding informal jobs in formal sector enterprises, informal sector enterprises, or as paid domestic workers employed by households (Cells 2, 6 and 10)
- (vi) Own-account workers engaged in the production of goods exclusively for own final use by their household, if considered employed according to paragraph 9 (6) of the resolution concerning statistics of the economically active population, employment, unemployment and under-employment adopted by the 13th ICLS.

As per the conceptual framework, presented in Figure 1, the relationship between different concepts and the cells of the matrix are as given below:-

Employment in the informal economy	Cell 1 to 10
Informal employment	Cells 1 to 6 & 8 to 10
Employment in the informal sector	Cells 3 to 8
Informal employment outside the informal sector	Cells 1, 2, 9 & 10

2.1.7 The employees with informal jobs generally do not enjoy employment security (no protection against arbitrary dismissal) work security (no protection against accidents and illness at the work place) and social security (maternity and health care benefits, pension, etc.) and therefore these characteristics can be used for identifying informal employment. These concepts and definitions are, however, still evolving and country practices vary in coverage and quality. India had the advantage of having some early experiences in the use of these concepts and also in leading the Expert Group on Informal Sector Statistics (Delhi Group).

2.2 Indian Economy and Unorganised Sector

2.2.1 The significance of household enterprises in the economy of the country was well recognized in independent India. The sector was, therefore, given importance in the development planning and the concept of self-sufficient villages was given emphasis in various policy prescriptions which led to the emergence of household enterprises throughout the country. These enterprises taken together came to be recognized as 'unorganised sector', and the term is generally being used in India in place of the international concept of informal sector. However, there has not been any single definition of unorganised sector and different organizations have been using varying definitions according to their specific requirements.

(i) National Sample Surveys on Unorganised Sector

2.2.2 The very first household survey conducted by the Directorate of National Sample Survey in the country during October, 1950 to March, 1951 included "household enterprises" as one of the subjects of enquiry. Different rounds of surveys since then and upto 1974-75 included household enterprises as a subject of enquiry though different nomenclatures like "small scale manufacture and handicrafts", "non-registered small scale manufacture and handicrafts" etc. were used. A new programme in the form of 'Economic Census' and 'Follow-up Surveys' was instituted thereafter to collect data on unorganised manufacturing, trade, transport, etc. on a continuing basis.

2.2.3 The first survey on "unorganised manufacturing" in the revised pattern, covering Own Account Enterprises (OAE) engaged in manufacturing and repairing activities was conducted during July 1978 to June 1979 (33rd Round). It was followed by surveys of Own Account Enterprises (OAE) and Non – Directory Establishments (NDE) in

manufacturing and repairing activities during July 1984 to June 85 (40th Round) and July 1989 to June 90 (45th Round). The Directory Establishments (DEs) in manufacturing and repair services were surveyed during October 1984 to September 85 and October 89 to September 90. These surveys were guided by the Central Statistical Organisation (CSO) though the field work was carried out by the National Sample Survey Organisation (NSSO). The first integrated survey covering OAEs, NDEs and DEs in manufacturing and repair services was undertaken during July 1995 to June 1996 (51st Round). The latest survey in the series was conducted during July 2000 to June 2001 (56th Round). However, it did not include repair services but included enterprises engaged in cotton ginning, cleaning and baling. The surveys of unorganised manufacturing enterprises generally included the units engaged mainly in manufacturing which were not covered under the Annual Survey of Industries (ASI).

2.2.4 In the services sector, small establishments and enterprises not employing any hired worker on a fairly regular basis (Own Account Enterprises) engaged in the activities of trade, transport, hotels and restaurants and other services was conducted by NSSO as a part of its survey during July 1979 to June 80 (34th Round). Larger establishments of these activities were surveyed by CSO during 1979-80.

2.2.5 All enterprises (OAEs, NDEs and DEs) engaged in the activities of transport, hotels and restaurants, storage and warehousing and services were surveyed during October, 1983 to September 1984 by the field staff of NSSO under the technical direction of CSO. It was followed by a survey of Own-Account and Non-Directory Trading establishments by NSSO during July 1985 to June 86 (41st Round). Another survey of all establishments in hotels, restaurants and transport services was undertaken by CSO during 1988-89 with the assistance of NSSO.

2.2.6 A survey of all enterprises (OAEs, NDEs and DEs) engaged in educational services, medical and health services, community and cultural services, communication services, financing, insurance, real estate, business services and other services was conducted by CSO during October 1991 to September 1992 with the assistance of NSSO. It was followed by a survey of activities of storage and warehousing during 1992-93 and activities of hotels, restaurants and transport during 1993-94 by CSO. Surveys on Directory Trading Establishments were conducted during October 1990 to September 1991 and April 1997

to March 1998 by the CSO with NSSO carrying out the field work.

2.2.7 The Own Account and Non-Directory Trading Establishments were surveyed by the NSSO during July 1990 to June 91 (46th Round) and during January to December 1997 (53rd Round). The latest survey on Unorganised services covering OAEs, NDEs and DEs was conducted by the NSSO during July 2001 to June 02. The units engaged in the activities of (i) Storage and Warehousing, (ii) Hotels and Restaurants, (iii) Post and telecommunication, (iv) Mechanical road transport, (v) Real estate, renting and business activities, (vi) Health and social work, (vii) Restaurants, (viii) Education and (ix) Other Community, social and personal service activities and other transport were included in the survey. It, however, excluded trade and financial services. All enterprises except those run by Government (Central, State, Local bodies) and in Public Sector were covered in the survey.

2.2.8 A deviation from the concept of unorganised sector in the national sample surveys was first made in 1999 and a comprehensive nation-wide survey of informal sector enterprises in non-agriculture was conducted during July, 1999 to June, 2000 (NSS 55th Round Survey). All non-agricultural enterprises, excluding those covered under the Annual Survey of Industries (ASI), with type of ownership as either proprietary or partnership were treated as informal non-agricultural enterprises for the purpose of the survey. The definition was consistent with the international definition of informal sector except that no size criterion of employment size was explicitly included in the definition. However, the non-inclusion of manufacturing units covered under the ASI had the effect of limiting the employment size to nine or nineteen in the manufacturing sector depending on the use or non-use of power respectively.

2.2.9 The NSS 61st Round Survey on Employment-Unemployment conducted during July, 2004 to June, 2005 did not explicitly define informal sector. However, it introduced a more detailed enterprise type code to identify separately public and private limited companies, co-operative societies, trusts and other non-profit institutions. The survey also included a few additional questions on employment characteristics so as to identify informal employment both in formal and informal sectors.

2.2.10 The definitions of 'unorganised sector' used in the surveys were generally simple and consistent. In the 'manufacturing activities' the units not covered under Annual Survey of Industries (ASI) were treated as

unorganised enterprises and in the case of services, the enterprises neither run by Government nor included in the public sector were considered as unorganised.

(ii) Unorganised Sector in the National Accounts Statistics

2.2.11 In the compilation of National Accounts, the term “Unorganised Sector” is used differently and consisted of residual enterprises which were not included in the “Organised Sector” (NAS, 2005). The organised sector in relation to specific segments of the economy as followed in national accounts compilation is as follows:-

Agriculture

Government irrigation system, Government non-departmental enterprises and crop production in plantation crops of tea, coffee and rubber covered in private corporate sector.

Forestry

Production of industrial and fuel wood as reported by the State Forest Departments.

Fishing

Public Undertakings

Mining and Quarrying

Major minerals as reported by the Indian Bureau of Mines.

Manufacturing

Registered factories covered under Factories Act.

Electricity, Gas and Water Supply

Total activity of electricity and public sector part of gas and water supply.

Construction

Construction work in the Public Sector and Private Corporate Sector.

Trade, Hotels and Restaurants

Public and Private Corporate Sector and Co-operatives.

Railways

Entire Sector of Railways.

Transport by other means

Public sector, private shipping companies, and total road transport under the private corporate sector.

Storage

Warehousing Corporation in public sector and cold storage covered under Factory Act.

Banking and Insurance

Total activity except the commission agents attached to the Life Insurance Corporation of India and unorganised non-banking financial undertakings including professional moneylenders and pawn brokers.

Real Estate, Ownership of Dwelling and Business Services

Real estate companies in the private corporate sector and public sector.

Public Administration and Defence

Entire sector.

Other Services

Public Sector medical, education and sanitary services, television and radio broadcasting, and recognized educational institutions in the private sector.

2.2.12 The NAS definition of organised sector is based on the sole criterion of availability of production statistics through administrative sources or regular surveys. The coverage is, therefore, not uniform in all sectors of the economy. While in the case of manufacturing industries, registration under the Factories Act, 1948 or Beedi and Cigar Workers (Conditions of Employment) Act, 1966 is the criterion for inclusion in the organised sector, ownership by the Government or Government Undertakings or Corporate bodies constituted under the Companies Act is largely the criterion in the case of Agriculture, Construction, Trade, Hotels, Restaurants, etc. In the case of forestry, the production of industrial and fuel wood as reported by the State Forest Departments and in the case of mining and quarrying all major minerals as reported by the Indian Bureau of Mines constitute the organised sector. In the education sector, all recognized institutions, irrespective of ownership, are in the organised sector. The application of such varying criteria, make it impossible to have comparable statistics across the sectors either for the organised or for the unorganised sector. The division is also artificial in nature and cannot be linked to any physical characteristics.

(iii) Employment Statistics of Directorate General of Employment and Training (DGET)

2.2.13 The Directorate General of Employment & Training in the Ministry of Labour & Employment do

collect employment statistics under its Employment Market Information (EMI) programme. The primary objectives of the EMI Programme are the following

- (i) to provide information at short intervals about the structure of employment in the public and private sectors at the area, state and national levels and also to monitor the changes in the level of employment
- (ii) to present occupational composition and educational profile of employees in the public and private sector establishments.
- (iii) to identify the occupations which are characteristic to a given industry.
- (iv) to assess the manpower shortages in various industries and in various occupations in the organised sector.
- (v) to make available information required for career counseling and vocational guidance through the National Employment Service.
- (vi) to monitor the progress in generating employment in organised sector during the five year Plans.

2.2.14 The programme covers all the establishments in the public sector irrespective of their size and non-agricultural establishments in the private sector employing ten or more persons. While the data from non-agricultural establishments in the private sector employing 25 or more persons are collected under the provisions of Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, data from the establishments employing 10-24 persons are collected on a voluntary basis. The DGET thus considers all the establishments employing ten workers or more as organised under the EMI programme. The programme, however, does not cover Arunachal Pradesh, Sikkim, Dadra & Nagar Haveli and Ladshadweep. The voluntary coverage of establishments employing 10-24 persons in the private sector is also not extended to the metropolitan areas of greater Mumbai and Kolkata. The EMI Programme also does not cover the following:

- (i) Employment in the unorganised sector
- (ii) Self-employment
- (iii) Part time employment

- (iv) Employment in agricultural and allied establishments, which furnish employment returns only on a voluntary basis.
- (v) Employment in Defence forces
- (vi) Employment in Indian Embassies and Missions abroad

2.2.15 The other limitations of employment data available through the Programme include the following:

- (i) The frame of establishments maintained at local employment exchanges is not comprehensive in certain cases due to non-inclusion of new and emerging establishments.
- (ii) There is an element of estimation of employment in respect of non-responding establishments.
- (iii) Employment created under various employment / beneficiary oriented schemes / programmes might be erroneously reported under the EMI Programme.

2.2.16 The estimated employment in the organised sector as on 31st March, 2005 as per the EMI Programme was 26.46 million as compared to 26.44 million during the previous year. The estimate for 2005 included 1.48 million workers in agriculture, 8.58 million in industry including manufacturing and 16.40 million in services. It is clear from the above estimates that EMI does not cover a major part of organised agriculture. The employment figures reported under the programme include only formal employment in industry and services and all contract, casual and temporary employment seem to have not been covered. Despite these serious limitations, the employment estimates available from the EMI Programme are used in the compilation of national accounts to represent the organised sector employment.

2.3. Labour Laws and Classification of Industrial Units

2.3.1 There are a large number of Acts governing conditions of employment and social security benefits of workers. Many of these Acts are, however, applicable only if the industrial unit has a specified minimum number of workers. The position in the case of some of the important legislations is indicated in the following paragraphs.

2.3.2 The “Factories Act, 1948”, which provides for the health, safety, welfare and other aspects of labour is not applicable to industrial units employing less than ten or twenty workers depending on whether power is used for manufacturing or not respectively. Thus no protection under the Factories Act is available to workers employed in small establishments not having the minimum threshold employment.

2.3.3 Social security benefits in the case of sickness, maternity and employment injury provided under the “Employees State Insurance Act, 1948” are also not available to those outside the purview of Factories Act, 1948. Both the Acts cover only the workers in the manufacturing sector.

2.3.4 The “Employee’s Provident Fund & Misc. Provisions Act, 1952” which provides for Employee’s Provident Fund Scheme and Employee’s Pension scheme for workers in a large number of industrial activities including services leave out a large number of workers as the units in which they are employed do not employ a minimum of twenty workers.

2.3.5 Contract Labour (Regulation and Abolition) Act, 1970 to regulate the employment of contract labour is applicable to those establishments and contractors employing twenty workers and above. The payment of Gratuity Act, 1972 is applicable to establishments employing ten or more workers.

2.3.6 The Industrial Disputes Act, 1947, providing for the investigation and settlement of industrial disputes divide the relevant industrial units into those employing less than 50 workers, 50 and above but less than 100 workers and others for the application of different provisions of the Act.

2.3.7 An Act which is applicable to almost all categories of establishments is Workmen’s Compensation Act, 1923 which provides for payment of compensation to workmen for injury by accident. The Minimum Wages Act, 1948 which provides for fixing of minimum rates of wages also does not have any criterion of employment though it is applicable only to certain scheduled employment categories. The Equal Remuneration Act, 1976, which provides for payment of equal remuneration to men and women workers for the same work or work of a similar nature and for the prevention of discrimination on grounds of sex is also applicable to all industries irrespective of any employment size. The Shops and Commercial Establishments Act, regulating the working condition of employees of shops and commercial establishments is also having universal applicability without any size restriction.

2.3.8 It is clear from the above that ‘employment size is used as a criterion for deciding the applicability of most of the labour legislations except for a few. Thus the workers employed in industrial units not having a minimum of ten workers are generally not eligible for most of the job, work and social security benefits under the respective Acts.

2.4. Survey Findings

2.4.1 The existing national and international definitions were considered and a need was felt for having a definition of unorganised / informal enterprise and employment so as to identify the units and employees not protected by the legal system. It was also emphasized that there should be symmetry between employment statistics and national accounts statistics and any re-classification should not vitiate the total employment. A decision was taken to extend the definition of informal sector to the agricultural sector.

2.4.2 Based on the papers prepared by Prof. Unni and Shri Murthy (2005), Prof. Shiela Bhalla (2007) and Dr. G. Raveendran (2005)^b the Commission agreed that availability of statistics need not be the criterion for defining informal sector as well as informal employment. The definition should reflect the characteristics of the sector and informal employment as the justification for defining informal sector enterprises arises from the need to appreciate the problems being faced by these units and their ability to provide a modicum of social security. In this context, it is felt reasonable to assume that establishments employing ten or more workers would be in a position to provide social security and other benefits to their employees. The Commission then considered the characteristics of proprietary and partnership establishments employing less than ten workers as presented by Dr. G. Raveendran, based on NSS 56th and 57th round surveys.

(i) The NSS 56th Round Survey

2.4.3 The unorganised manufacturing enterprises (units not covered under Annual Survey of Industries) were surveyed in the NSS 56th Round Survey during July 2000 to June 2001. As per the survey, there were about 17.02 million unorganised manufacturing units in the country during the period of the survey. Of these, about 99.90 percent of the units were proprietary and partnership establishments and only 0.10 percent were in the other category consisting of companies, co-operatives, etc. outside the coverage of the Annual Survey of Industries (ASI). The establishments employing less than ten workers amongst proprietary and partnership firms were about 98.77 percent and about 1.13 percent

employed ten or more total workers each. The percentage distribution of unorganised manufacturing units by employment size and type of ownership is given in Table 2.1.

Table 2.1: Percentage Distribution of Unorganised Manufacturing Enterprises, 2000-01 (Per cent)

Employment Size	Proprietary and Partnership	Others	All Enterprises
1	42.43	0.01	42.44
2 – 5	53.35	0.03	53.38
6 – 9	2.99	0.01	3.00
Sub - total	98.77	0.05	98.82
10 – 19	0.94	0.19	0.97
20 +	0.03	0.02	0.21
Sub – total	1.13	0.05	1.18
All	99.90	0.10	100.00

Source: NSSO 56th Round 2000-01, Unorganised Manufacturing Survey. Computed.

2.4.4 In terms of employment, the proprietary and partnership establishments employing less than ten workers accounted for 90.89 percent and those employing ten or more workers accounted for 8.53 percent. Thus, 1.13 percent of the larger units accounted for 8.53 percent of employment. The percentage distribution of employment in unorganised manufacturing units by employment size and type of ownership is given in Table 2.2. The share of

Table 2.2: Percentage Distribution of Employment in Unorganised Manufacturing Enterprises, 2000-01 (Per cent)

Employment Size	Proprietary and Partnership	Others	All Enterprises
1	19.48	0.01	19.49
2 – 5	61.81	0.04	61.85
6 – 9	9.60	0.06	9.66
Sub - total	90.89	0.11	91.00
10 – 19	5.43	0.13	5.56
20 +	3.10	0.34	3.44
Sub – total	8.53	0.47	9.00
All	99.42	0.58	100.00

Source: ibid

proprietary and partnership establishments employing less than ten workers in gross value added by the unorganised manufacturing units was 84.16 percent and that of the units employing ten or more workers was 14.03 percent. The percentage distribution of gross value added from unorganised manufacturing units by employment size and type of ownership is given in Table 2.3.

Table 2.3: Percentage Distribution Gross Value Added by Unorganised Manufacturing Enterprises, 2000-01 (Per cent)

Employment Size	Proprietary and Partnership	Others	All Enterprises
1	15.41	0.01	15.42
2 – 5	50.86	0.06	50.92
6 – 9	17.89	0.35	18.24
Sub - total	84.16	0.42	84.58
10 – 19	9.52	0.48	10.00
20 +	4.51	0.91	5.42
Sub – total	14.03	1.39	15.42
All	98.19	1.81	100.00

Source: ibid

2.4.5 The average number of workers per enterprise by size class of employment and type of ownership in the unorganised manufacturing enterprises are given in Table 2.4. While the average employment per enterprise in the proprietary and partnership enterprise employing less than ten workers was only 2, it increased to 16.4 in the case of similar enterprises employing ten or more workers.

Table 2.4: Average Employment Per Enterprise in Different Categories of Unorganised Manufacturing Enterprises, 2000-01

Employment Size	Proprietary and Partnership	Others	All Enterprises
1	1.00	1.00	1.00
2 – 5	2.52	3.39	2.52
6 – 9	7.00	7.65	7.01
Sub - total	2.00	4.20	2.01
10 – 19	12.54	12.80	12.55
20 +	35.52	33.46	35.30
Sub – total	16.40	23.07	16.66
All	2.17	12.99	2.18

Source: ibid

2.4.6 The labour productivity in terms of average gross value added per worker presents a mixed picture. There is a marked difference between private proprietary and partnership enterprises and other units with the former having a uniformly low average. However, the enterprises within the employment size class of six to nine workers registered the highest level of labour productivity in both the classes of enterprises. In fact, the labour productivity showed declining trend beyond the employment size class of 6 to 9 workers. The average gross value added per worker in different categories of unorganised manufacturing enterprises is given in Table 2.5.

Table 2.5: Average Gross Value Added Per Worker in Different Categories of Unorganised Manufacturing Enterprises, 2000-01

Employment Size	Proprietary and Partnership	Others	All Enterprises
1	12,844	19,682	12,846
2 – 5	13,355	25,478	13,363
6 – 9	30,239	101,628	30,649
Sub - total	15,030	67,498	15,087
10 – 19	28,508	58,515	29,227
20 +	23,603	42,896	25,530
Sub – total	26,723	47,251	27,812
All	16,032	50,755	16,233

Source: ibid

(ii) The NSS 57th Round Survey

2.4.7 Unorganised services sector enterprises (units not run by Government or in Public sector) were surveyed in the NSS 57th Round during July 2001 to June 2002. As per the survey, the estimated service sector enterprises excluding the units engaged in trade and financial intermediation were 14.47 million. The distribution of these units by type of ownership and employment size is given in Table 2.6. About 98.67 percent of the unorganised services sector enterprises were proprietary and partnership and of these about 97.81 percent were employing less than ten workers each. In fact 64.14 percent units did not have any worker except the entrepreneur.

Table 2.6: Percentage Distribution of Unorganised Service Sector Enterprises, 2001-02 (Per cent)

Employment Size	Proprietary and Partnership	Others	All Enterprises
1	64.14	0.19	64.33
2 – 5	31.87	0.40	32.27
6 – 9	1.79	0.34	2.13
Sub - total	97.81	0.92	98.73
10 – 19	0.71	0.21	0.92
20 +	0.15	0.20	0.35
Sub – total	0.86	0.41	1.27
All	98.67	1.33	100.00

Source: NSSO 57th Round 2001-02, Unorganised Service Sector Survey. Computed.

2.4.8 In terms of employment, the 0.86 percent proprietary and partnership enterprises employing ten or more workers accounted for about 8.05 percent of the total employment in the unorganised services sector. The percentage distribution of employment by employment size class and type of ownership is given in Table 2.7.

Table 2.7: Percentage Distribution of Employment in Unorganised Services Sector Enterprises, 2001-02 (Percent)

Employment Size	Proprietary and Partnership	Others	All Enterprises
1	34.96	0.10	35.06
2 – 5	42.64	0.69	43.33
6 – 9	6.83	1.35	8.18
Sub - total	84.42	2.15	86.56
10 – 19	4.89	1.47	6.35
20 +	3.16	3.92	7.08
Sub – total	8.05	5.39	13.44
All	92.47	7.53	100.00

Source: ibid

2.4.9 In the case of gross value added, the share of proprietary and partnership enterprises employing less than ten workers was 69.78 percent as against 12.05 percent by those employing ten and more workers. It implies that 12.05 percent of total gross value added by the sector is accounted by 0.86 percent of the units employing ten or

more workers. The percentage distribution of value addition by different categories of unorganised services sector enterprises is given in Table 2.8.

Table 2.8: Percentage Distribution of Gross Value Added by Unorganised Services Sector Enterprises, 2001-02 (Per cent)

Employment Size	Proprietary and Partnership	Others	All Enterprises
1	29.15	0.08	29.23
2 – 5	33.01	0.67	33.68
6 – 9	7.62	1.19	8.81
Sub - total	69.78	1.94	71.72
10 – 19	5.72	1.86	7.58
20 +	6.33	14.37	20.70
Sub – total	12.05	16.23	28.28
All	81.83	18.17	100.00

Source: ibid

2.4.10 The average employment per enterprise across different size classes of units showed significant differences. While the average employment per enterprise of proprietary and partnership establishments employing upto nine workers was 1.58, it was as high as 39.00 for units employing 20 and more workers. The average employment size of the units employing more than ten workers was 17.23. The relevant details are given in Table 2.9.

Table 2.9: Average Employment per Enterprise in Different Categories of Unorganised Services Sector Enterprises, 2001-02

Employment Size	Proprietary and Partnership	Others	All Enterprises
1	1.00	1.00	1.0
2 – 5	2.45	3.17	2.46
6 – 9	6.99	7.36	7.05
Sub - total	1.58	4.26	1.61
10 – 19	12.65	13.04	12.45
20 +	39.00	35.26	36.84
Sub – total	17.23	24.08	19.45
All	1.72	10.35	1.83

Source: ibid

2.4.11 As per the survey, the average annual gross value added per worker in the unorganised services sector was Rs. 28,160 and in the case of proprietary and partnership enterprises, it was Rs. 24,921. The estimates also showed a trend of increase in gross value added per worker with the increase in employment size class. While the average value added per worker was Rs. 23,278 for units employing upto nine workers, it increased to Rs. 32,992 in case of units employing ten to nineteen workers and Rs. 56,320 in the case of units employing twenty and more workers. The details are given in Table 2.10.

Table 2.10: Average Gross Value Added per Worker in Different Categories of Unorganised Services Sector Enterprises, 2001-02

Employment Size	Proprietary and Partnership	Others	All Enterprises
1	23,484	23,405	23,484
2 – 5	21,802	27,170	21,882
6 – 9	31,442	24,786	30,342
Sub - total	23,278	25,491	23,333
10 – 19	32,992	35,600	33,594
20 +	56,320	103,227	82,284
Sub – total	42,159	84,809	59,263
All	24,921	67,916	28,160

Source: ibid

(iii) The NSS 55th Round Informal Sector Survey

2.4.12 The informal sector survey conducted during July 1999 to June 2000 covered proprietary and partnership establishments not covered under the Annual Survey of Industries (ASI) both in manufacturing and services sectors without any size restriction. It also did not cover mining and quarrying, and electricity, gas and water supply. As per the survey, the estimated number of establishments in the informal sector was about 44.4 million and these units employed about 79.79 million persons. The percentage distribution of these establishments by employment size class along with the percentage share of employment, and gross value added is given in Table 2.11.

Table 2.11: Percentage Distribution of Informal Sector Enterprises, 1999-2000 (Per cent)

Employment Size	No. of Units	No. of Workers	Gross Value Added
1	57.10	31.80	29.08
2 – 5	40.29	54.74	46.94
6 – 9	1.92	7.50	13.27
1 – 9	99.31	94.40	89.29
10 – 19	0.58	4.08	7.78
20 +	0.11	1.88	2.93
10 +	0.69	5.96	10.71
All	100.00	100.00	100.00

Source: NSSO 55th Round 1999-2000, Informal Non-agricultural Enterprises Survey. Computed.

2.4.13 Though the number of units employing less than ten workers is as high as 99.31 per cent, the share of these units in the number of workers, and gross value added is only 94.4 per cent, and 89.29 per cent respectively. It implies that the units employing ten workers and above has a larger value of employment per unit. The average number of workers per unit by employment size class of enterprises is given in Table 2.12.

Table 2.12: Average Number of Workers per Enterprise, 1999-2000

Employment Size	Average number of workers (Per Enterprise)
1	1.00
2 – 5	2.44
6 – 9	7.00
Sub-total	1.70
10 – 19	12.64
20 +	31.06
Sub-total	15.55
All	1.80

Source: ibid

2.4.14 The average gross value added per worker showed a mixed trend as in the case of manufacturing units. While the GVA per worker was Rs. 42,915 in the employment size class of six to nine workers, the corresponding estimate in the case of enterprises in the size class of twenty and above workers was only

Rs. 37,772. The GVA per worker in different employment size classes of enterprises is given in Table 2.13.

Table 2.13: Average Gross Value Added Per Worker by Employment Size Class of Enterprises, 1999-2000

Employment Size	GVA per Worker
1	22,183
2 – 5	20,782
6 – 9	42,915
Sub-total	23,020
10 – 19	46,193
20 +	37,772
Sub-total	43,537
All	24,243

Source: ibid

(iv) Third All India Census of Small Scale Industries

2.4.15 The third census of small scale industries (SSIs) also conducted by the Small Industries Development Organizations (SIDO) during the year 2002 – 03. All the establishments permanently registered with the State Directorates of Industries till March 31, 2001 were surveyed on a complete enumeration basis in the census. In addition, a sample of 1,67,665 unregistered SSI units were also surveyed as a part of the census. The census covered small scale industries, ancillary units and small scale service and business enterprises (SSSBs) which come under the purview of SIDO. The units under the purview of Khadi and Village Industries Commission (KVIC), Silk Board, Handicrafts Board, Textile Commissioner, etc are outside the coverage of the census.

2.4.16 For the purpose of the census, an industrial undertaking in which the investment in plant and machinery, whether held on ownership terms, or on lease, or by hire purchase, did not exceed Rs. 100 lakhs as on March 31, 2001 was considered as a small industrial unit. Similarly, industry related service and business enterprises with investments in fixed assets, building and land, upto Rs. 10 lakhs as on March 31, 2001 were considered as SSSBs.

2.4.17 The registered and unregistered establishments in the small scale industries sector as on March 31, 2001 were estimated to be 10.52 million based on the census. It included 4.18 million manufacturing industries 1.72

million repair and maintenance industries and 4.62 million service industries. Among the small scale industries, about 97.78 percent of the units were proprietary and partnership firms and within them 96.37 percent of the units were employing less than ten workers. The percentage distribution of the units by type of ownership and employment size class is given in Table 2.14.

Table 2.14: Percentage Distribution of Small Scale Industries, 2002-03 (Per cent)

Employment Size	Proprietary and Partnership	Others	All enterprises
1	39.45	0.66	40.11
2-5	54.07	1.18	55.25
6-9	2.85	0.14	2.99
Sub Total	96.37	1.98	98.35
10-19	1.02	0.14	1.16
20+	0.38	0.11	0.49
Sub Total	1.41	0.24	1.05
All	97.78	2.22	100.00

Source: 3rd All India Census on Small Scale Industries 2002-03. Computed.

2.4.18 As regards employment, the proprietary and partnership establishments, employing less than ten workers in the small scale sector, accounted for 82.87 percent of the employment. About 11.86 percent of the employment was in proprietary and partnership enterprises employing ten and more employees. The percentage distribution of employment in the small scale industries sector by employment size and ownership type is given Table 2.15.

Table 2.15 Percentage Distribution of Employment in Small Scale Manufacturing Industries, 2002-03 (Per cent)

Employment Size	Proprietary and Partnership	Others	Total
1	16.65	0.28	16.93
2-5	57.87	1.33	59.20
6-9	8.35	0.41	8.76
Sub – Total	82.27	2.02	84.89
10-19	5.30	0.76	6.06
20+	6.56	2.49	9.05
Sub – Total	11.86	3.25	15.11
All	94.73	5.27	100.00

Source: ibid

2.4.19 In the case of gross output, the share of proprietary and partnership establishments employing less than ten workers was as low as 42.82 percent and that of those units employing ten or more employees was 29.38 percent. The units with the ownership other than proprietary and partnership accounted for about 27.80 percent. The percentage distribution of gross output by employment size and ownership type is given in Table 2.16.

Table 2.16: Percentage Distribution of Gross Output by Employment Size and Ownership Type in Small Scale Industries, 2002-03 (Per cent)

Employment Size	Proprietary and Partnership	Others	Total
1	6.53	0.71	7.24
2-5	23.84	0.85	24.69
6-9	12.45	1.83	14.28
Sub – Total	42.82	3.39	46.21
10-19	12.67	4.54	17.21
20+	16.71	19.87	36.58
Sub – Total	29.38	24.41	53.79
All	72.20	27.80	100.00

Source: ibid

2.4.20 The average employment per enterprise for units employing less than ten workers was the lowest in the case of proprietary and partnership firms and was 2.04. The average was 12.23 in the case of proprietary and partnership firms employing ten to nineteen employees. The average employment per unit in different size classes of units by type of ownership is given in Table 2.17.

Table: 2.17: Average Employment per Enterprise by Employment size and Type of ownership in Small Scale Industries, 2002-03

Employment Size	Proprietary and Partnership	Others	All
1	1.00	1.00	1.00
2.5	2.54	2.66	2.54
6.9	6.94	7.20	6.95
1-9	2.04	2.42	2.05
10-19	12.23	12.96	12.32
20 +	40.56	55.73	43.84
10 +	19.93	31.47	21.64
All	2.30	5.62	2.37

Source: Computed Same as in Table 2.14.

2.4.21 The average gross output per worker was the lowest in the case of proprietary and partnership own account enterprises. It increased with increasing size class of employment. However, output in the case of establishments other than proprietary and partnership the pattern was somewhat different. The relevant averages are given in Table 2.18.

Table 2.18: Average Gross Output per Worker by Employment Size and Type of Ownership in Small Scale Industries, 2002-03

Employment Size	Proprietary and Partnership	Others	Total
1	44,418	286,131	48,403
2-5	46,642	72,637	47,225
6-9	168,824	495,810	184,415
1-9	58,502	189,404	61,624
10-19	270,606	676,898	321,522
20 +	288,360	903,375	457,612
10 +	280,424	850,442	403,022
All	86,290	596,718	113,212

Source: ibid

(v) Economic Census

2.4.22 The Economic Census being undertaken periodically by the Central Statistical Organizations (CSO) is another source of data on informal sector. It is a country – wide operation covering all economic activities except crop production and plantation. However, it generally has significant under coverage. According to the fifth Economic Census conducted during 2005, there

were about 41.83 million enterprises in the country employing about 100.9 million workers in that year. Among them, about 41.20 million enterprises (98.5 per cent) were in the category of employing less than ten total workers. The percentage distribution of enterprises and employment by ownership type and size classes of employment during 2005 is given in Table 2.1.19.

It may be seen from the above table that about 89.0 percent of the establishments and 65.3 percent of the workers were in the informal sector.

2.5. Defining Informal Sector

2.5.1 The Commission noted that labour legislations, particularly relating to labour and social security are mostly applicable to enterprises employing ten or more workers. The characteristics of these enterprises in terms of legal status, productivity and other economic parameters are also distinctly different from those units employing less than ten workers as revealed by different surveys. A size criterion in terms of number of workers in addition to the ownership criteria is, therefore, found to be appropriate in defining informal sector.

2.5.2 The broad characteristics of the informal sector were reviewed as indicated in SNA 93 with a view to evolve a definition of informal sector consistent with the international concept. The first characteristic in this regard is that the enterprise is owned by individuals or households that or not constituted as separate legal entities independent of their owners.

Table 2.19: Percentage Distribution of Enterprises and Workers by Ownership and Size of Employment, 2005 (Per cent)

Employment Size Class	Number of Enterprises			Number of Workers		
	Proprietary and Partnership	Others	All	Proprietary and Partnership	Others	All
1	51.5	4.3	55.8	21.4	1.8	23.1
2-5	35.0	4.3	39.3	36.3	4.9	41.1
6-9	2.6	0.8	3.4	7.7	2.6	10.2
1-9	89.0	9.4	98.5	65.3	9.2	74.5
10-19	0.5	0.4	0.8	2.5	2.0	4.5
20+	0.4	0.3	0.7	11.1	9.9	21.0
10+	0.8	0.7	1.5	13.6	11.9	25.5
Total	89.9	10.1	100.0	78.8	21.2	100.0

Source: Economic Census 2005. Computed.

2.5.3 In the Indian context, the business entities can be of the following ownership categories:

- Proprietary enterprises
- Partnership enterprises (including Self Help Groups and other informal groups not recognized as separate legal entities)
- Registered under the Companies Act (corporate sector)
- Cooperative societies registered under Societies Registration Act and
- Government undertakings

Thus, in the Indian Context, the enterprises operated on proprietary or partnership basis do not constitute as separate legal entities independent of their owners.

2.5.4 The next important characteristic is that the employment size of the enterprise has to be below a certain threshold to be determined according to national circumstances. It has already been seen that the appropriate employment size in the context of India is nine workers.

2.5.5 Non-registration under specific form of national legislation is another characteristic which can be used for identifying informal enterprises as per international guidelines. However, in the case of India, there is no unique form of registration for all business entities though there are various types of registrations, both voluntary and mandatory. For example, a business entity can be registered under the Factories Act, Shops and Establishments Act, Income Tax Act, etc. There can also be voluntary registrations with the Director of Industries as Small Scale Industry, Khadi and Village Industry, etc. In view of such multiple registrations and in the absence of any registration covering all the business entities, it is not possible to use non-registration as a condition for identifying informal enterprises.

2.5.6 The non-maintenance of complete accounts that would permit a financial separation of the production activities of the enterprise is generally satisfied by all the proprietary and partnership enterprises employing less than ten workers as such enterprises are not under any legal obligation to maintain separate accounts.

2.5.7 Thus the two main principles which can be used for defining informal enterprises are the

ownership and employment size. In the case of ownership, proprietary and partnership enterprises do not constitute as separate legal entities independent of their owners. The appropriate employment size threshold in the context of India is nine workers. Thus the following definition of informal sector is recommended by the Commission.

“The informal sector consists of all unincorporated private enterprises owned by individuals or households engaged in the sale and production of goods and services operated on a proprietary or partnership basis and with less than ten total workers”.

2.5.8 The above definition corresponds closely with the definition of Informal Sector adopted internationally by the International Labour Organization (ILO) and the United Nations Statistical Commission (UNSC). The word enterprise in the definition has the same meaning as defined in the SNA 93 and refers to an institutional unit in its capacity as a producer of goods and services. An enterprise may be a corporation, a quasi-corporation, a non-profit institution, or an unincorporated enterprise. An enterprise is classified as proprietary if an individual is its sole owner and as partnership if there are two or more owners on a partnership basis with or without formal registration. Partnerships also include Self-Help-Groups (SHGs) and association of individuals which are not recognised as separate legal entities. It excludes all corporate entities, co-operatives, trusts and other legal entities which are independent of their owners.

2.5.9 Though the above definition does not make any distinction between agricultural and non-agricultural enterprises, the concept of enterprise is so far being used in India only in the context of non-crop and non-plantation sectors. Though for the purpose of economic census, an agricultural enterprise has been defined as an undertaking engaged in livestock production, agricultural services, hunting, trapping & game propagation, forestry and logging and fishing not for the sole purpose of own consumption, in the case of NSS 55th Round Labour Force Survey the entire agricultural sector was excluded from the enterprise concept. The NSS 61st Round Employment-Unemployment Survey, however, covered those segments of agriculture which were included in the economic census for the purpose of recording enterprise characteristics. Since rural India is primarily dependent on agriculture its exclusion

from informal sector due to non-availability of a precise definition of enterprise is likely to exclude more than half of India's work force. It is, therefore, considered necessary to include the entire agriculture sector in the definition of informal sector by adopting a suitable definition of enterprise. It is, therefore, recommended that each operational holding in the crop production and plantation be considered as an enterprise in the agricultural sector. In the case of other agricultural activities like forestry, animal husbandry and fishing, the general definition of enterprise given in para 2.5.7 can be used. An operational holding is a techno-economic unit constituted of all land that is used wholly or partly for agricultural production and is operated by one person alone or with assistance of others, without regard to title, size or location. The holding may consist of one or more parcels of land, provided that they are located within the country and that they form part of the same techno-economic unit.

2.5.10 In the absence of data sets on enterprise characteristics including number of workers employed, the segregation of informal sector by using the definition given above is not feasible in the case of crop production and plantation. Till such data sets become available the crop production be considered as informal sector and plantations as defined under Plantations Act be considered as formal.

2.6. Distribution of Informal Sector Enterprises

2.6.1 As per Informal Sector Survey conducted by the National Sample Survey Organisation during 1999-2000, there were 44.1 million non-agricultural enterprises satisfying the definition of the Commission. Among the states, Uttar Pradesh accounted for the largest share of 18.09 per cent of the enterprises. It was followed by West Bengal (11.43 per cent), Maharashtra (8.69 per cent), Andhra Pradesh (8.56 per cent), Tamil Nadu (7.83 per cent) and Bihar (7.39 per cent). These six states taken together accounted for 62 per cent of the non-agricultural enterprises in the informal sector. The state-wise distribution is given in Annex 2.1.

2.6.2 By industry, retail trade accounted for 35 per cent of non-agricultural informal sector enterprises. The second largest industry in terms of number of informal sector enterprises was land transport with a share of 8.03 per cent followed by manufacturing of

wearing apparel (5.45 per cent) and other services (5.37 per cent) like washing and cleaning of textiles, hair dressing and other beauty treatment, funeral and related activities, activities of marriage bureau, shoe shiners, porters, etc. About 53.85 per cent of the enterprises accounted by these four service industries. The industry-wise distribution of non-agricultural informal sector enterprises is given in Annex 2.2. The descriptions of the industry codes at two digit level are in Appendix-VII.

2.6.3 In terms of number of enterprises, retail trade dominated in all the states with substantially large shares. Though land transport and manufacturing of wearing apparel were the second and third largest industries at the all India level, the relative positions of these industries changed in different states. In fact, manufacture of wearing apparel devolved to seventh position in Uttar Pradesh, eighth position in West Bengal and eleventh position in Bihar. The percentage share of top ten industries in the six major states and the relative ranks are given in table 2.20. The shares of different industries in six major states are given in Annex 2.3, 2.4, 2.5, 2.6, 2.7 and 2.8.

2.7. Implications of the above Definition

2.7.1 The above definition is consistent with the definition being followed by the DGET for the identification of organised sector industries except that the definition of informal sector exclude all the establishments which are not proprietary and partnership irrespective of employment size.

2.7.2 It is also consistent with the definition of factory sector except that the establishments with employment of 10 to 19 persons but not using electricity and those which are not proprietary and partnership concerns are excluded.

2.7.3 As far as the definitions being followed by the Ministry of Commerce and Industry, the informal sector as defined above, cover almost all the tiny and micro enterprises except those establishments not run on proprietary and partnership basis. Thus the micro-enterprises as defined under the MSMED Act form part of informal sector.

2.8. Informal Employment

2.8.1 The definition of informal sector was included in the system of National Accounts, (SNA), 1993 to make it possible to identify the informal sector separately in

Table: 2.20: Percentage Share and Relative Ranks of Top Ten Industries in the Six Major States, 1999-2000

Industry	All India		Andhra Pradesh		Bihar		Maharashtra		Tamil Nadu		Uttar Pradesh		West Bengal	
	Per cent	Rank	Per cent	Rank	Per cent	Rank	Per cent	Rank	Per cent	Rank	Per cent	Rank	Per cent	Rank
Retail trade	35.00	1	31.5	1	37.61	1	38.11	1	27.7	1	37.2	1	29.5	1
Land Transport	8.03	2	8.62	3	8.54	2	9.75	2	4.73	7	8.98	2	11.2	3
Mfg. of wearing apparel	5.45	3	7.69	5	2.39	11	8.33	3	5.72	5	4.29	7	3.12	8
Other services	5.37	4	11.33	2	8.2	3	4.35	5	5.87	4	5.96	5	2.33	11
Mfg. of wood & wood product	5.28	5	8.08	4	7.04	5	4.18	7	4.34	8	3.84	8	4.85	6
Mfg. of food products and beverages	4.99	6	3.23	8	7.46	4	5.15	4	3.8	10	5.67	6	6.33	4
Mfg. of tobacco products	4.69	7	1.46	12	4.7	6	1.02	17	8.56	2	1.46	13	16.2	2
Mfg. of textiles	4.16	8	5.06	6	0.78	18	1.4	15	8.13	3	6.11	4	5.68	5
Construction	4.16	9	1.4	14	3.91	7	2.04	11	3.16	11	6.79	3	2.96	10
Hotels and restaurants	3.96	10	4.55	7	3.5	8	4.19	6	5.21	6	3.96	9	3.02	9

Source: Computed from NSSO 55th Round Survey on Informal Non-agricultural Enterprises, 1999-2000

the national accounts and quantify the contribution of the sector to the gross domestic product. The definition is, therefore, in terms of characteristics of the enterprise rather than in terms of the characteristics of the persons involved or of their jobs. The definition is, therefore, likely to exclude a large number of workers because of the following reasons:-

- (i) The persons engaged in very small-scale or casual self-employment activities may not report in statistical surveys that they are self employed, or employed at all, although their activity falls within the enterprise-based definition.
- (ii) Certain groups of persons such as out-workers, sub-contractors, free-lancers or other workers whose activity is at the borderline between self-employment and wage employment are likely to be missed or wrongly classified.
- (iii) An enterprise based definition of the informal sector will not be able to capture all aspects of the increasing “informalisation” of employment, leading to various forms of informal employment even in the formal sector.

- (iv) Persons employed in private households as domestic servants, gardeners, etc. are likely to be left out in an enterprise based definition.

2.7.1 In order to identify and include such workers in all employment protection and social security measures it is necessary to complement the definition of informal sector with a working definition of informal employment. Since the employees with informal jobs are not subjected to labour legislations, they generally do not have any employment security. In other words, these employees have no protection against arbitrary dismissal or lay off and are not entitled to benefits like advance notice of dismissal, severances of pay, paid annual or sick leave, etc. Non-availability of work security like protection against accidents and illness at work through safety and health regulations is another important characteristic of informal employment. Absence of adequate social security like maternity and health care benefits, pension and other retirement benefits of regular nature is yet another characteristic of informal employment.

2.7.2 Clearly the self employed own-account workers in the informal sector or private households and self employed employers in the informal sector do not enjoy job security or social security and are considered as informal

employees as per the conceptual frame work of ILO. The un-paid family workers, whether in the formal or informal sector, are invariably regarded as informal employees. Paid employees can be informal or formal depending on availability of both job security and social security. In India, those employed on casual basis normally do not enjoy any job or social security, irrespective of the fact whether employed in formal or informal sectors or in private households. Even those employees who are employed on a regular basis often may not enjoy job security, work security or social security. These employees will not be eligible either for paid sick or annual leave or for any social security benefits given by the employer.

2.7.3 In view of the above, the Commission recommends the following definition of informal employment in line with the conceptual frame work adopted by the 17th International Conference of Labour Statisticians (ICLS).

“Informal workers consist of those working in the informal sector or households, excluding regular workers with social security benefits provided by the employers and the workers in the formal sector without any employment and social security benefits provided by the employers”.

2.7.4 The term ‘regular workers’ in the definition relates to persons who worked in others farm or non-farm enterprises (both household and non-household) and in return received salary or wages on a regular basis (i.e. not on the basis of daily or periodic renewal of work contract). The category includes not only persons getting time wage but also persons receiving piece wage or salary and paid apprentices, both full time and part-time.

2.7.5 As per the definition, the informal workers would include (i) all casual and contributing family workers (ii) self-employed persons in informal sector and private households and (iii) all other employees not eligible for advance notice of dismissal or paid sick or annual leave or for any social security benefits provided by the employers.

2.7.6 In view of the fact that the statistical system of the country has been using the term ‘unorganised sector’ in a statistical sense and has thus historically acquired a meaning different from what is intended in the above definitions, it is recommended to use the terms ‘informal sector’ and ‘informal employment’ in the definitions. It is in line with the terminologies being used by various international agencies.

3

Size and Distribution of Informal Sector Employment

3.1. Introduction

3.1.1 The first ever informal sector survey in India was undertaken as a part of the NSS 55th Round Survey during July, 1999 to June, 2000. A two prong approach was followed in this survey to estimate the contribution of informal sector to the economy. The first approach was to get an estimate of employment in the informal sector by including a few additional questions in the usual employment – unemployment survey schedule. The persons reported to have been employed in non-agricultural enterprises were asked to indicate the “enterprise type” and “the number of workers” in the enterprises in which they were employed. The first question was to ascertain whether the person was employed in “proprietary or partnership” enterprise not covered under Annual Survey of Industries (ASI) and the second question was to obtain its employment size. In addition, a few questions on other characteristics of the enterprises as well as employment conditions were also included in the survey. The second approach was to survey a sample of selected informal sector enterprises to assess the key characteristics of such enterprises including its contribution to Gross Domestic Product (GDP). Agricultural sector was excluded in both the approaches.

3.1.2 In the case of non-agricultural workers, the enterprise type of each individual worker was ascertained and recorded in terms of the following codes during 55th Round Survey.

Proprietary male	1
Proprietary female	2
Partnership with members from same household	3

Partnership with members from different household	4
Public sector	5
Semi-public	6
Others (includes co-operative society, public limited company, private limited company and other units covered under ASI),	7
Not known	9

The coding system did not provide for indicating private households employing maid-servants, watch man, etc. No separate code was also available to indicate those not having particular attachment to any specific enterprise. As a result, there were a number of cases in which the enterprise type code was either blank or ‘9’. There were also a number of cases in which the number of workers in the enterprise was not reported. The guideline used for the classification of such workers is given in Appendix-VIII.

3.1.3 In the agriculture sector, the definition based on enterprise could not be applied for identifying informal sector as the concept of enterprise was not used in the 55th Round Survey in respect of the workers employed in this sector. However, plantations within the agriculture sector, were regulated by the ‘Plantations Labour Act, 1951’ and it applied to any land used or intended to be used for growing tea, coffee, rubber or cardamom, measures five hectares or more and employs fifteen or more persons. Since the minimum threshold employment for registration under the Act is fifteen persons, the entire plantation sector can be considered to be in the formal sector. Thus the workers with the

occupation codes 601, 620, 640, 641 and 649 as per NCO-68 within the crop cultivation activities were considered as formal sector workers for the purpose of estimation.

3.1.4 The seventh quinquennial survey on employment and unemployment (61st Round) conducted during July, 2004 to June 2005 also collected data on items necessary for the identification of informal sector and informal workers. The data sets relating to this survey became available by February, 2007 and hence could be used for obtaining comparable estimates for two time points of 1999-2000 and 2004-2005. In the 61st Round, the enterprise details were collected for all the workers except those in the crop production. The specific groups of activities within agriculture for which enterprise details were collected in 61st Round were the following;

- a) Farming of animals (NIC-012)
- b) Agricultural and animal husbandry service activities, except veterinary activities (NIC-014)
- c) Hunting, trapping and game propagation including related service activities (NIC-015)
- d) Forestry, logging and related service activities (NIC-020)
- e) Fishing, operation of fish hatcheries, fish farms and service activities incidental to fishing (NIC-050)

Thus, it became possible to identify the formal sector enterprises in respect of the above agricultural activities based on 61st Round Survey data. Though it was not possible to use such a classification in the 55th Round data in respect of the above activities, forestry workers (NCO code-66) consisting of forest guards, harvesters and gatherers, log fellers, loggers and other forestry workers constituted nearly the same percentage of 3 per cent as that of formal workers in the above activities during the 61st Round. Forestry is also mostly in the Government sector. Accordingly, the group of workers with occupation code 66 in the above agricultural activities were considered as formal sector workers in 1999-2000 in order to ensure comparability.

3.1.5 In the 61st Round, the coding system for recording enterprise type was also improved and made more comprehensive. The codes used in 61st Round were the following

Proprietary male	1
Proprietary female	2
Partnership with members from same household	3
Partnership with members from different household	4
Government / Public Sector	5
Public / Private limited company	6
Co-operative societies / trust / other non-profit institutions	7
Employer's households (private households employing maid servant, watch man, cook, etc.)	8
Others	9

The enterprise type 'Others' seems to have been mentioned in respect of those not having regular attachment to any enterprise, and those working for associations of persons like Self-Help Groups which are primarily partnerships of different forms and in such cases where the enterprises were not identifiable as in the case of construction activity. The workers in these enterprises employing less than ten workers were regarded as informal sector workers for the purpose of estimation and analysis. The specific guidelines used for the classification of workers both in 55th Round and 61st Round are given in Appendix VIII.

3.1.6 In the both surveys, an enterprise is classified as proprietary if an individual is its sole owner and as partnership if there are two or more owners on a partnership basis with or without formal registration. An enterprise wholly owned / run / managed by Central or State Governments, quasi-government institutions, local bodies, etc. is classified as public sector enterprise.

3.2 Estimates of Formal and Informal Sector Workers

3.2.1 The estimates of formal and informal sector workers as per 55th and 61st Round Surveys were worked out by using the definitions recommended by the Commission in the earlier chapter and the working methodology described in the above paragraphs. These estimates by economic activity are given in Table 3.1. As per both the rounds, more than 86 percent of the employment was in the informal sector, though there was a marginal decline of 0.04 percentage points in 2004-05.

Table 3.1: Estimates of workers by Economic Activity and Sector (Million)

Economic activity	1999-2000			2004-2005		
	Informal	Formal	Total	Informal	Formal	Total
Agriculture	232.21 (97.70)	5.47 (2.30)	237.67 (100)	252.83 (97.65)	6.09 (2.35)	258.93 (100)
Industry	44.81 (69.05)	20.08 (30.95)	64.89 (100)	60.35 (70.40)	25.38 (29.60)	85.73 (100)
Services	65.62 (69.67)	28.57 (30.33)	94.20 (100)	81.72 (72.44)	31.09 (27.56)	112.81 (100)
Total	342.64 (86.36)	54.12 (13.64)	396.76 (100)	394.90 (86.32)	62.57 (13.68)	457.46 (100)

(Figures in brackets indicate percentage shares)

Source: Computed from NSSO 55th (1999-2000) & 61st (2004-05) Round Survey on Employment Un-employment

3.2.2 In the agriculture sector, while 97.70 per cent of the workers were in the informal sector during 1999-2000, it was marginally reduced to 97.65 per cent during 2004-05. In the case of industry, the shares of informal sector during the above two years were 69.05 per cent and 70.40 per cent respectively. The share of informal sector in the services, however, increased from 69.67 per cent in 1999-2000 to 72.44 per cent in 2004-05.

3.2.3 Among the total informal sector workers, about 67.77 per cent were in agriculture, 13.08 per cent in industry and 19.15 per cent in services during 1999-2000. By 2004-05, the share of agriculture in informal sector workers reduced to 64.02 per cent while that of industry and services increased to 15.28 per cent and 20.69 per cent respectively. This was primarily because of higher growth of informal sector workers in industry and services. The shares of informal and formal sector workers by economic activity are given in Table 3.2.

Table 3.2: Percentage Shares of Workers by Economic Activity (Per cent)

Economic activity	1999-2000			2004-2005		
	Informal	Formal	Total	Informal	Formal	Total
Agriculture	67.77	10.10	59.90	64.02	9.74	56.60
Industry	13.08	37.10	16.36	15.28	40.57	18.74
Services	19.15	52.79	23.74	20.69	49.69	24.66
Total	100.00	100.00	100.00	100.00	100.00	100.00

Source: ibid

3.2.4 While the annual growth rate in total employment between 1999-2000 and 2004-05 was about 2.89 per cent, the employment in the informal sector registered a growth rate of 2.88 per cent during the same period. In the case of agriculture, employment in the formal sector grew at a higher rate of 2.20 per cent as against a growth rate of 1.72 per cent in the informal sector. The growth rate in industry was 6.13 per cent and 4.79 per cent in the informal and formal sectors respectively. In the case of services, employment in the informal sector grew at a higher rate of 4.48 per cent as against 1.70 per cent in the formal sector. The growth rates by sector and economic activity are given in Table 3.3.

Table 3.3: Employment Growth Rates by Economic Activity and Sector between 1999-2000 and 2004-05

Economic Activity	Employment Growth Rate (per cent)		
	Informal Sector	Formal Sector	Total
Agriculture	1.72	2.20	1.73
Industry	6.13	4.79	5.73
Services	4.48	1.70	3.67
Total	2.88	2.94	2.89

Source: ibid

3.3 Distribution of Workers by Sector, Area and Sex

3.3.1 The estimates of workers by sector, area and sex as per NSS 61st Round Survey of Employment-Unemployment is given in Table 3.4. The percentage distributions of these workers are given in Tables 3.5 and 3.6. In the aggregate, about 86.32 per cent of the total workers were employed in the informal sector during 2004-05. Among these, 65.79 per cent were males and 34.21 per cent were females. The percentage shares of males and females in the formal sector were 79.32 per

cent and 20.68 per cent respectively and their shares in total workforce were 67.64 per cent and 32.36 per cent respectively. It is thus evident that a larger percentage of females were employed in the informal sector rather than in the formal sector.

3.3.2 Almost three-fourth of the total work force is employed in the rural areas. However, in the case of

Table 3.4: Distribution of Workers by Sector, Area and Sex, 2004-05 (million)

Sector	Sex	Informal Sector	Formal Sector	Total
Rural	Male	197.87	21.17	219.04
	Female	117.21	6.82	124.03
	Persons	315.08	27.99	343.07
Urban	Male	61.94	28.46	90.40
	Female	17.88	6.12	24.00
	Persons	79.82	34.58	114.40
Total	Male	259.81	49.63	309.44
	Female	135.09	12.94	148.03
	Persons	394.90	62.57	457.46

Source: NSSO 61st Round 2004-05, Employment-Unemployment Survey

Table 3.5: Percentage Distribution of Workers by Sector, 2004-05 (Per cent)

Sector	Sex	Informal Sector	Formal Sector	Total
Rural	Male	90.33	9.67	100.00
	Female	94.50	5.50	100.00
	Persons	91.84	8.16	100.00
Urban	Male	68.52	31.48	100.00
	Female	74.50	25.50	100.00
	Persons	69.78	30.22	100.00
Total	Male	83.96	16.04	100.00
	Female	91.26	8.74	100.00
	Persons	86.32	13.68	100.00

Source: ibid

informal sector about 79.79 percent of the workers were in rural areas as against 44.74 per cent in the case of formal sector workers. About 90.33 per cent of the rural male workers and 94.50 per cent of the rural female workers were in the informal sector. The aggregate share of informal sector in the total rural employment was 91.84

per cent. The informal sector workers are concentrated more in rural areas. In the urban areas 68.52 per cent of the male workers and 74.50 per cent of the female workers were in the informal sector and the aggregate share was 69.78 per cent.

Table 3.6: Percentage Distribution of Workers by Area and Sex, 2004-05 (Per cent)

Sector	Sex	Informal Sector	Formal Sector	Total
Rural	Male	50.11	33.84	47.88
	Female	29.68	10.90	27.11
	Persons	79.79	44.74	74.99
Urban	Male	15.69	45.48	19.76
	Female	4.53	9.78	5.25
	Persons	20.21	55.26	25.01
Total	Male	65.79	79.32	67.64
	Female	34.21	20.68	32.36
	Persons	100.00	100.00	100.00

Source: ibid

3.4 Estimates of Informal Sector Workers by Industry Groups

3.4.1 The estimates of employment in the informal sector by industry, sector and sex, the employment in each of these categories as a percentage of total employment, the percentage distribution of these workers by industry and sector are given in Annex 3.1.

3.4.2 Agriculture which accounted for 56.6 per cent of the total employment in the country also accounted for about 64 percent of the informal sector employment. About 97.65 per cent of the total employment in agriculture was in the informal sector. The share of manufacturing industries in the informal sector employment was 10.06 per cent as against its share of 12.2 per cent in the total employment. In the case of trade, the share of employment in the informal sector was 10.5 per cent as against its share of 9.5 per cent in total employment. While 71.20 per cent of total employment in manufacturing industries was in the informal sector and that in the case of trade was 95.54 per cent. The construction sector which accounted for about 5.7 per cent of the total employment had a share of 4.98 per cent in the informal sector employment as about 75.58 per cent of the employment in construction industry was in

informal sector. Transportation and storage accounted for 3.55 per cent of employment in the informal sector as 75.93 per cent of the employment in the industry was in the informal sector. The other industries which accounted for more than one percent of the total employment in the informal sector were Other community and social services (1.88 per cent), Hotels & restaurants (1.34 per cent) and Private households with employed persons (1.19 per cent).

3.4.3 The distribution of informal sector employment by two-digit level industry groups and percentage shares of each industry are given in Annex-3.2, 3.3 & 3.4. The descriptions of the industry codes are in Appendix-VII. At this level of industry group, the single largest industry after agriculture which employed 5.04 per cent of informal sector workers in rural areas, 23.04 per cent in urban areas and 8.68 per cent in aggregate was retail trade (except motor vehicles and motor cycles) and repair of personal and household goods. It was followed by construction with a share of 4.98 per cent in total informal sector workers, 4.05 per cent in rural areas and 8.64 per cent in urban areas. The top 12 industry groups, which accounted for atleast one percent of the total informal sector workers individually along with the percentage shares of informal sector workers are given in Table 3.7.

3.4.4 In the informal sector, these twelve industries

taken together accounted for about 95.30 per cent of the rural employment, 78.04 per cent of urban employment and 94.87 per cent of total employment.

3.5 Estimates of Informal Sector Workers by Age and Sex

3.5.1 As per NSS 61st Round Survey on Employment-Unemployment, about 8.04 million children upto the age of 14 were employed in the informal sector and it constituted about 2.04 per cent of the total informal sector workforce. About 4.29 million of them were males and the remaining 3.75 million females. About 83.5 per cent of these child workers were in the rural areas while the remaining 16.5 per cent were in the urban areas.

3.5.2 Over 51 per cent of the informal sector workers were in the prime age group of 20 to 39 and among these 65.5 per cent were males and the remaining 34.5 per cent were females. Even in this group, about 77.9 per cent of the workers were in the rural areas and 22.1 per cent in the urban areas.

3.5.3 Those aged 60 years and above constituted about 7.27 per cent of the total workforce in the informal sector and among them 72.4 per cent were males and the remaining 27.6 per cent were females. While 85 per cent of them were in rural areas, the remaining 15 per cent were in urban areas. The estimates of informal sector

Table 3.7: Percentage shares of Informal Sector Workers in Top 12 Industries, 2004-05 (Per cent)

Sl. No.	Industry	Percentage Share		
		Rural	Urban	Total
1	Agriculture, hunting and forestry	77.30	11.6	64.02
2	Retail trade, except of motor vehicles and motor cycles, repair of personal and household goods	5.04	23.04	8.68
3	Construction	4.05	8.64	4.98
4	Land transport	2.11	7.79	3.26
5	Manufacture of textiles	1.20	4.59	1.89
6	Manufacture of wearing apparel, dressing and dyeing of fur	1.01	4.02	1.61
7	Other community, social and personal service activities	1.01	2.90	1.39
8	Hotels and restaurants	0.72	3.79	1.34
9	Manufacture of wood and products of wood and cork except furniture	1.23	1.44	1.27
10	Private households with employed persons	0.44	4.15	1.19
11	Wholesale trade and commission trade except of motor vehicles and motor cycles	0.48	4.05	1.20
12	Manufacture of food products and beverages	0.79	2.02	1.04
	Total	95.38	78.04	94.87

Source: ibid

workers by age and sex and percentage distributions are given in Annex-3.5.

3.6 Educational Status of informal Sector Workers

3.6.1 As high as 42.4 per cent of the workers in the informal sector were illiterates and another 11.6 per cent literates but below primary. Both these categories taken together accounted for 54.0 per cent of the workforce in the informal sector as against 49.8 per cent in the total workforce. Among rural males, 35.6 per cent of the informal sector workers were illiterates while among rural females 67.5 per cent were illiterates. Within urban informal sector workers 16.3 per cent males and 44.4 per cent females were illiterates.

3.6.2 Among the total illiterate workers in the informal sector, 89.2 per cent consisting of 42.0 per cent males and 47.2 per cent females, were in rural areas while the remaining 10.8 per cent, consisting of 6.0 per cent males and 4.8 per cent females, were in the urban areas. Even among those literates but below primary level of education rural areas accounted for 82.3 per cent of the informal sector workers consisting of 59.8 per cent males and 22.5 per cent females. The estimates of informal sector workers by educational level and the relevant percentages are given in Annex-3.6.

3.6.3 In order to assess the variations in the educational levels of informal sector workers to the educational levels of total workers, indices were computed by dividing the percentage share of informal sector workers in each category by the percentage share of total workers in that

category: Thus

$$I_{ij} = P_{ij}^u / P_{ij}^t$$

Where, I_{ij} is the index of informal sector workers in the i th educational level and j th sector and sex.

P_{ij}^u is Percentage share of informal sector workers in the i th educational level and j th sector and sex.

P_{ij}^t is Percentage share of total workers in the i th educational level and j th sector and sex.

3.6.4 An index value of more than one implies that the percentage share of informal sector worker in that category is more than that in the total workers and a value less than one implies the reverse. The indices are given in Table 3.8. It may be seen that among rural males, primary and below primary level workers in the informal sector were higher than such workers in the total workforce. However, the workers with educational qualification secondary and above were comparatively lower in the informal sector. In the case of rural females the share of illiterates in the informal sector was higher than the share of illiterates in the total workforce. In the case of diploma/certificate holders as well as graduate and above, the shares of informal sector workers among rural females were just 51 per cent and 50 per cent respectively. In the case of urban males and females, the shares of illiterates and less qualified persons were much higher in the informal sector than in the total workforce. The shares of diploma/certificate holders as well as graduates and above in the informal sector among urban

Table 3.8: Indices of Informal Sector Workers by Level of Education, 2004-05

Level of Education	Rural			Urban			Rural + Urban		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
Illiterate	1.05	1.02	1.04	1.22	1.20	1.23	1.11	1.05	1.10
Below Primary	1.02	0.99	1.01	1.16	1.14	1.16	1.07	1.01	1.05
Primary	1.02	1.00	1.01	1.12	1.13	1.12	1.05	1.01	1.03
Middle	1.00	0.98	0.99	1.09	1.12	1.09	1.02	0.99	1.00
Secondary	0.95	0.91	0.93	1.04	0.86	1.01	0.95	0.87	0.92
Higher Secondary	0.91	0.83	0.89	0.92	0.76	0.89	0.88	0.76	0.85
Diploma/ Certificate	0.62	0.51	0.59	0.61	0.50	0.59	0.56	0.46	0.53
Graduate & above	0.72	0.50	0.68	0.63	0.46	0.59	0.60	0.41	0.56
Total	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Source: ibid

females were as low as 50 per cent and 46 per cent respectively. Thus, in general, informal sector employed more of less qualified and less of qualified workers.

3.7 Distribution of Informal Sector Workers by Usual Activity Status

3.7.1 The usual activity status of a person is ascribed to can be one of the following categories:

Self-employed own account worker

Self-employed employer

Self-employed as helper in the household enterprise or Un-paid family worker

Regular salaried/wage employee

Casual labour in public works

Casual labour in others

3.7.2 Persons who operated their own farm or non-farm enterprises or were engaged independently in a profession or trade on own-account or with one or a few partners were deemed to be self-employed in household enterprises. The essential feature of the self-employed is that they have autonomy and economic independence for carrying out their operation. Those self-employed persons who operate their enterprises on their own account or with one or a few partners and who, during the reference period, by and large, run their enterprise without hiring any labour are categorized as self-employed own account workers. The self-employed persons who ran their enterprises by hiring labour are classified as self-employed employers. Those self-employed persons, who were engaged in their household enterprises, working full or

part time and did not receive any regular salary or wage in return for the work performed, are classified as helpers in household enterprises or unpaid family workers

3.7.3 Persons who worked in farm or non-farm enterprises of others and in return received salary or wages on a regular basis (not on the basis of daily or periodic renewal of work contract) are considered as regular salaried/wage employees. This category of workers included not only persons getting time wage but also persons receiving piece rate wage or salary and paid apprentices, both full time and part time.

3.7.4 Persons who are casually engaged in the farm or non-farm enterprises of others and in return received wages according to the terms of daily or periodic work contract are classified as casual workers.

3.7.5 The distribution of informal sector workers by usual activity status and percentage distributions by usual status and sector are given in Table 3.9 to 3.11.

3.7.6 The self-employed among informal sector workers constituted 64.09 per cent with 35.62 per cent as own account workers 1.31 per cent as employers and 27.16 per cent as unpaid family workers. The regular salaried were about 6.68 per cent and the remaining 29.22 per cent were casual workers. In the case of male informal sector workers constituting about 65.79 per cent of the total, 63.08 per cent were self-employed. Among them 44.72 per cent were own-account workers, 1.77 per cent were employers and 16.59 per cent were unpaid family workers. About 8.27 per cent were regular salaried workers and the rest 28.64 per cent were casual workers. In the case of female informal sector workers 66.27 per cent were self-employed. Though the percentage shares of

Table 3.9: Distribution of Informal Sector Workers by Usual Status, 2004-05 (million)

Usual Activity Status	Rural			Urban			Rural + Urban		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
Own account worker	86.97	18.90	105.87	29.22	5.58	34.79	116.18	24.48	140.66
Employer	2.41	0.47	2.88	2.18	0.11	2.29	4.59	0.58	5.17
Unpaid family worker	35.76	58.67	94.43	7.34	5.47	12.81	43.09	64.14	107.24
Regular wage employee	8.06	1.37	9.43	13.42	3.53	16.95	21.48	4.89	26.37
Casual labour in public	0.06	0.01	0.07	0.01	0.00	0.01	0.07	0.01	0.08
Casual labour in others	64.62	37.79	102.40	9.78	3.19	12.97	74.40	40.98	115.38
Total	197.87	117.21	315.08	61.94	17.88	79.82	259.81	135.09	394.90

Source: *ibid*

Table 3.10: Percentage Distribution of Informal Sector Workers by Usual Status, 2004-05 (Per cent)

Usual Activity Status	Rural			Urban			Rural + Urban		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
Own account worker	43.95	16.13	33.60	47.17	31.19	43.59	44.72	18.12	35.62
Employer	1.22	0.40	0.92	3.51	0.62	2.87	1.77	0.43	1.31
Unpaid family worker	18.07	50.06	29.97	11.85	30.58	16.04	16.59	47.48	27.16
Regular wage employee	4.07	1.16	2.99	21.66	19.74	21.23	8.27	3.62	6.68
Casual labour in public	0.03	0.01	0.02	0.01	0.01	0.01	0.03	0.01	0.02
Casual labour in others	32.66	32.24	32.50	15.79	17.85	16.26	28.64	30.33	29.22
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: ibid

Table 3.11: Percentage Distribution of Informal Sector Workers by Area and Sex, 2004-05 (Per cent)

Usual Activity Status	Rural			Urban			Rural + Urban		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
Own account worker	61.83	13.44	75.26	20.77	3.96	24.74	82.60	17.40	100.00
Employer	46.63	9.14	55.77	42.07	2.15	44.23	88.70	11.30	100.00
Unpaid family worker	33.34	54.72	88.06	6.84	5.10	11.94	40.19	59.81	100.00
Regular wage employee	30.57	5.18	35.74	50.88	13.38	64.26	81.44	18.56	100.00
Casual labour in public	75.59	12.54	88.14	8.60	3.26	11.86	84.20	15.80	100.00
Casual labour in others	56.00	32.75	88.75	8.48	2.77	11.25	64.48	35.52	100.00
Total	50.11	29.68	79.79	15.69	4.53	20.21	65.79	34.21	100.00

Source: ibid

self-employed among males and females had a difference of only about 2.95 percentage points, in favour of females the major difference was that about 47.48 per cent of females were unpaid family workers as against 16.59 per cent of males and only 18.12 per cent of females were own-account workers as against 44.72 per cent of males. This is indicative of male dominance among self-employed in the informal sector.

3.7.7 About 79.79 per cent of the informal sector workers were in the rural areas as against 75 per cent in the case of total workforce. Out of 79.79 per cent, about 50.11 per cent were males and 29.68 per cent females. Among the rural male informal sector workers 63.24 per cent were self-employed with 43.95 per cent as own-account workers, 1.22 per cent as employers and the remaining 18.07% as up-paid family workers. The regular wage employers were merely 4.07 per cent and the remaining 32.66 per cent were casual workers. Among rural females in the informal sector, 66.59 per cent were

self-employed. However, 50.06 per cent among them were unpaid family workers as against 18.07 per cent of males. The regular wage employees among rural females were only 1.16 per cent and the rest 32.25 per cent were casual workers.

3.7.8 The share of urban areas in the informal sector workers was 20.21 per cent and among them 15.69 per cent were males and 4.53 per cent females. Among the urban male informal sector workers, 64.05 per cent were self-employed, 21.23 per cent were regular wage employees and the remaining 16.27 per cent were casual workers. The self-employed consisted of 47.17 per cent own-account workers, 3.51 per cent employers and 11.85 per cent unpaid family workers. Among the urban females, 62.39 per cent were self-employed with 30.58 per cent as unpaid family worker. The regular wage employees were 19.74 per cent and the remaining 17.86 per cent were casual workers.

3.7.9 The indices of shares of own-account workers,

and unpaid family workers in the informal sector were greater than unity implying that their shares in informal sector were significantly larger than their shares in the total workforce. It was much pronounced in urban than in rural areas. The relevant indices are given in Tables 3.12 and 3.13.

Table 3.12: Indices of Share of Informal Sector Workers by Activity Status, 2004-05

Usual Activity Status	Rural			Urban			Rural + Urban		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
Own account worker	1.09	1.04	1.07	1.41	1.32	1.39	1.17	1.08	1.14
Employer	0.94	0.75	0.89	1.23	0.84	1.18	1.00	0.76	0.95
Unpaid family worker	1.09	1.05	1.08	1.40	1.31	1.38	1.17	1.09	1.14
Regular wage employee	0.45	0.31	0.42	0.53	0.55	0.54	0.45	0.41	0.44
Casual labour in public	0.20	0.05	0.14	0.11	0.20	0.13	0.19	0.06	0.14
Casual labour in others	1.00	0.99	1.00	1.09	1.07	1.09	1.05	1.02	1.04
Total	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Source: ibid

Table 3.13: Indices of Shares of Informal Sector Workers by Sector and Sex, 2004-05

Usual Activity Status	Rural			Urban			Rural + Urban		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
Own account worker	1.00	1.00	1.00	0.99	1.00	0.99	1.00	1.00	1.00
Employer	1.03	0.86	1.00	1.02	0.76	1.00	1.03	0.84	1.00
Unpaid family worker	1.00	1.00	1.00	0.97	0.99	0.98	0.99	1.00	1.00
Regular wage employee	1.08	0.78	1.02	0.96	1.09	0.99	1.00	0.98	1.00
Casual labour in public	1.47	0.39	1.05	0.63	1.22	0.73	1.29	0.45	1.00
Casual labour in others	1.01	1.05	1.02	0.84	0.89	0.85	0.98	1.04	1.00
Total	1.05	1.09	1.06	0.79	0.86	0.81	0.97	1.06	1.00

Source: ibid

3.8 Distribution of informal Sector Workers by Social Groups

3.8.1 The scheduled tribe and schedule caste constituted about 10.27 per cent and 20.16 per cent of the informal sector workers in 2004-05. In the case of females, however, 13.2 per cent of the informal sector workers belonged to scheduled tribe and 21.3 per cent belonged to scheduled castes. There were also variations between rural and urban areas in the percentage shares of scheduled tribe and scheduled caste workers. While the share of scheduled tribe workers in the rural informal sector was 12.09 per cent, it was merely 3.05 per cent in

the case of urban informal sector workers. The shares of scheduled caste workers in rural and urban areas were 21.42 per cent and 15.15 per cent respectively. The estimates of informal sector workers by social groups, percentage distribution and indices are given in Annex-3.7. Among the scheduled tribe workers, about 94.0 per cent were in rural areas with 51.92 per cent males and 42.07 per cent females.

3.8.2 In the case of scheduled caste workers, about 84.81 per cent were in rural areas with 52.65 per cent males and 32.16 per cent females. Among the OBCs 80.84 per cent were in rural areas with 50.36 per cent males

and 30.49 per cent females. Among other informal sector workers only 69.01 per cent were in the rural areas.

3.8.3 Among rural males, the indices of shares of informal sector workers were marginally more than unity in the case of OBCs implying that the shares of these social groups in the informal sector workers were more than their shares in total workers. In the case of rural females, only the scheduled castes had an index greater than unity. However, OBCs among urban males and females had considerably larger shares among informal sector workers as compared to their shares in the total workforce. In general, the percentage shares of scheduled caste and scheduled tribe workers in the informal sector were much higher than their percentage shares in total work force.

3.9 Distribution of Informal Sector Workers by Monthly Per Capita Consumption Expenditure (MPCE) Classes

3.9.1 The distribution of rural informal sector workers by monthly per-capita consumption expenditure classes, percentage shares and indices are given in Annex-3.8. The estimates for urban workers are given in Annex-3.9.

3.9.2 In the rural areas, the percentage share of informal sector workers in the lowest three MPCE classes was 14.35 per cent as against 13.83 per cent in the total workers. It implied that informal sector workers were more skewed towards lower expenditure classes in comparison to total workers. There was also consistent decrease in the percentage shares of female workers with increasing MPCE classes both among informal sector workers and total workers. The indices of shares of informal sector workers were greater than unity for MPCE classes upto Rs. 510 to 580. It implied that the shares of informal sector workers upto the above expenditure class were higher than the percentages of total workers in those classes.

3.9.3 In the urban areas, the skewness of informal sector workers towards lower expenditure classes as compared to total workers was more pronounced. While the percentage share of informal sector workers in the lowest three MPCE classes was 21.4 per cent, it reduced to 17.27 per cent in the case of total workers. Similarly, in the highest three MPCE classes, the percentage share of informal sector workers was only 14.3 per cent as against 21.05 per cent of total workers. The share of female workers also decreased with increasing MPCE

class except in the highest MPCE class of Rs. 2540 and above. The indices of shares of informal sector workers showed, higher concentration of such workers in the lower MPCE classes and much less percentage in higher MPCE classes both among males and females. It implied that the average income/expenditure level of informal sector workers is much lower distribution than that in the formal sector workers.

3.10. State-Wise Estimates of Informal Sector Workers

3.10.1 The state-wise estimates of informal sector workers in the year 2004-05 are given in Annex-3.10. The ratios of informal sector workers to total workers in each state by sector and sex are given in Annex-3.11. The percentage shares of each state in the total informal sector workers and indices of shares are given in Annex-3.12 and 3.13. The shares of different categories of workers in each state are given in Annex-3.14 and the relevant indices are given in Annex-3.15.

Table 3.14: Percentage Shares of Informal Sector Workers in Top Ten States, 2004-05

Sl. No.	State	Percentage Share		
		Male	Female	Persons
1	Uttar Pradesh	16.62	13.40	15.52
2	Maharashtra	9.26	11.74	10.11
3	Andhra Pradesh	7.93	11.18	9.04
4	West Bengal	8.67	4.80	7.35
5	Madhya Pradesh	6.42	6.73	6.53
6	Tamil Nadu	5.71	7.45	6.30
7	Rajasthan	5.53	7.40	6.17
8	Bihar	7.18	3.49	5.92
9	Karnataka	5.59	6.46	5.89
10	Gujarat	5.02	5.69	5.25
	Total	77.93	78.34	78.08

Source: ibid

3.10.2 Uttar Pradesh had the highest share (15.52 per cent) of total informal sector workers in the country. Its share in rural areas was 15.99 per cent and that in urban areas was 13.67 per cent. Uttar Pradesh also had the distinction of being the second in terms of having the highest share of informal sector workers in the total workforce. The top position in this regard was taken by Bihar. Uttar Pradesh was followed by Maharashtra with a share of 10.11 per cent and then by Andhra Pradesh with a share of 9.04 per cent. The top ten states in terms

of having the highest shares of informal sector workers and their respective shares are given in Table 3.14. These ten states taken together accounted for 77.93 per cent of males, 78.34 per cent of the females and 78.08 per cent of persons in the informal sector.

3.10.3 The shares of informal sector workers in the total work force of the above states were, however, not in the same order of their relative shares in the total informal sector workers. Bihar had the highest share of 96.19 per cent informal sector workers out of total workforce in that state. It was followed by Uttar Pradesh (92.47 per cent) Rajasthan (91.16 per cent), Orissa (90.08 per cent), Chhattisgarh (89.71 per cent) and Madhya Pradesh (89.06 per cent). The names of top ten states with the highest shares of informal sector workers within the total work force in those states are given on Table 3.15.

Table 3.15: States with the Highest Percentage of Workforce in the Informal Sector, 2004-05 (Per cent)

Sl. No.	State	Percentage share of informal sector workers to total		
		Male	Female	Persons
1	Bihar	95.63	98.43	96.19
2	Uttar Pradesh	90.67	97.09	92.47
3	Rajasthan	88.33	95.55	91.16
4	Orissa	88.15	93.88	90.08
5	Chhattisgarh	85.49	95.60	89.71
6	Madhya Pradesh	87.27	92.54	89.06
7	Andhra Pradesh	85.33	92.66	88.28
8	Jharkhand	84.44	94.04	87.61
9	Uttaranchal	81.71	96.00	87.38
10	Karnataka	84.61	90.08	86.58
	All States	83.96	91.26	86.32

Source: *ibid*

3.10.4 The states which are considered to be least developed among all the states are figuring in the above list of states with the highest percentage of workers in the informal sector.

3.10.5 The indices of percentage shares of informal sector workers were the highest in the case of Bihar (1.11), Uttar Pradesh (1.07), Rajasthan (1.06), Chhattisgarh (1.04), Orissa (1.04), and Madhya Pradesh (1.03). It implied that the shares of these states in the total informal sector workers were significantly larger than their shares in the total work force. The states / UTs which had the lowest indices were Lakshadweep

(0.48), Chandigarh (0.56), A&N Islands (0.65 per cent) Delhi (0.71 per cent), Goa (0.72 per cent), Daman & Diu (0.72 per cent), Dadra & Nagar Haveli (0.73 per cent) and Kerala (0.73 per cent). These states had relatively low share of informal sector workers as compared to their shares in the total workers.

3.10.6 Among the states, the share of rural areas in the informal sector workers varied between 7.30 per cent in Delhi and 16.84 per cent in Chandigarh to 94.28 per cent in Himachal Pradesh, 93.89 per cent on Arunachal Pradesh and 92.81 per cent in Assam. The percentage of female workers in the informal sector, varied between 9.74 per cent in Delhi and 12.15 per cent in Tripura to 51.90 per cent in Dadra & Nagar Haveli and 49.49 per cent in Himachal Pradesh.

3.11 State-wise Distribution of Informal Agricultural Sector Workers

3.11.1 The State wise distribution of informal agricultural sector workers is given in Annex-3.16 and the shares of these workers as a percentage of total agricultural workers are given in Annex-3.17. The percentage distribution of informal agricultural sector workers by state and the indices of shares are given in Annex-3.18 and 3.19. The percentage share of different categories of workers in each state is given in Annex-3.20 and the related indices are given in Annex-3.21.

3.11.2 In the States / Union Territories of Chandigarh, Dadra & Nagar Haveli and Delhi, the entire agricultural workers were in the informal sector. The percentage of informal sector workers out of total agricultural workers were the lowest in the case of Lakshadweep (44.05 per cent) followed by Kerala (48.62 per cent).

3.11.3 The states which had the highest percentage shares of informal agricultural sector workers were Uttar Pradesh (15.66 per cent), Maharashtra (10.14 per cent), Andhra Pradesh (9.14 per cent), Madhya Pradesh (7.71 per cent) and Bihar (6.96 per cent).

3.11.4 Among the informal agricultural sector workers 96.34 per cent were in rural areas and the remaining 3.66 per cent were in urban areas. The states/ Union Territories in which the rural shares of informal agricultural sector workers were the least included Chandigarh (66.74 per cent), Lakshadweep (66.77 per cent), Daman & Diu (75.00 per cent) and Delhi (78.65 per cent).

3.11.5 Of the total informal agricultural sector workers, males constituted 58.23 per cent and females 41.77 per cent. As compared to male- female ratio in the total informal sector workers, the percentage share of females in the informal agricultural sector was relatively high. In other words, participation of women in informal agricultural is more than in other sectors like industry and services. However, in a number of states, the percentage shares of females in the informal agricultural sector workers were considerably low. These States/UTs include Lakshadweep (1.91 per cent) Tripura (12.71 per cent), Chandigarh (14.67 per cent) West Bengal (20.45 per cent), Bihar (22.93 per cent) Daman & Diu (24.01 per cent), etc.

3.12 State wise Distribution of Informal Sector workers in industry

3.12.1 The distribution of informal sector industrial workers, their percentage shares and indices are given in Annex- 3.22, 3.23, 3.24, 3.25, 3.26 and 3.27. The overall share of informal sector in the total industrial workers was 70.40 per cent. However, in the case of female workers 79.23 per cent of the industrial workers were in the informal sector. The states which had a very high percentage of industrial workers in the informal sector out of total industrial workers included Manipur (93.93 per cent), Uttar Pradesh (83.76 per cent), West Bengal (76.02 per cent) Mizoram (83.13 per cent), Bihar (88.74 per cent), Rajasthan (81.94 per cent), Karnataka (77.27 per cent), Tripura (75.99 per cent), Punjab (75.38 per cent), Orissa (75.13 per cent) and Uttarakhand (75.03 per cent).

3.12.2 Among the States, Uttar Pradesh accounted for 17.49 per cent of the total informal sector industrial workers. The next highest share was only 9.73 per cent in the case of West Bengal. The other States/UTs which had a good share of informal sector industrial workers were Tamil Nadu (9.27 per cent), Maharashtra (8.33 per cent), Andhra Pradesh (7.93 per cent), Rajasthan (7.51 per cent), Karnataka (5.25 per cent), Kerala (4.35 per cent), Gujarat (4.38 per cent) and Madhya Pradesh (4.30 per cent).

3.12.3 The indices of shares of informal sector industrial workers were well above unity in many states/ UTs implying that the percentage share of these states in the informal sector industrial workers were higher than their shares in the total industrial workers. The highest index was in the case of Manipur (1.33) followed by, Bihar

(1.26), Uttar Pradesh (1.19), Mizoram (1.18), Rajasthan (1.16) and Karnataka (1.10). About 58.25 per cent of the informal sector industrial workers were in rural areas and among them 41.61 per cent were males and 16.64 per cent were females. The percentage of males in the total informal sector industrial workers was 73.33 and thus relatively few women were employed in the industries in general.

3.12.4 The states which had a relatively low percentage of informal sector industrial workers in rural areas were Delhi (8.26 per cent), Mizoram (26.60 per cent), Pondichery (27.71 per cent), Chandigarh (28.78 per cent), Maharashtra (33.91 per cent) and Gujarat (39.26 per cent). The share of women in the informal sector industrial workers were the lowest in Delhi (8.16), Chandigarh (8.28) Sikkim (8.55 per cent), Himachal Pradesh (9.49 per cent), Tripura (11.0 per cent), Punjab (11.20 per cent), Uttarakhand (11.32 per cent), Haryana (11.62 per cent), and Goa (13.59 per cent). The percentage shares of females in the informal sector industrial workers were the highest in Manipur (56.74 per cent), Nagaland (46.23 per cent), Orissa (40.21 per cent), West Bengal (36.60 per cent) and Tamil Nadu (35.86 per cent).

3.13 State wise Distribution of Informal Sector Workers in Services

3.13.1 The distribution of informal sector workers in services, their percentage shares and indices are given in Annex-3.28, 3.29, 3.30, 3.31, 3.32 and 3.33. The share of informal sector in the total services sector employment was 72.44 per cent as compared to 65.40 per cent in the case of industries. The share of informal sector among female workers in services was, however, lower at 66.93 per cent. The states/ UTs in which the informal sector service workers were the highest out of total services sector workers in Bihar (86.05 per cent), Uttar Pradesh (79.27 per cent), West Bengal (78.70 per cent), Andhra Pradesh (76.42 per cent), Tripura (75.61 per cent), Assam (75.01 per cent), Haryana (74.50 per cent), Rajasthan (74.38 per cent), Jharkhand (73.71 per cent) and Gujarat (73.12 per cent).

3.13.2 Out of the total informal sector workers in services, Uttar Pradesh had the highest share of 13.61 per cent, followed by Maharashtra with a share of 11.31 per cent. The other States/ UTs which accounted for a good share informal services sector workers were West Bengal (10.33 per cent), Andhra Pradesh (9.56 per cent), Tamil Nadu (7.51 per cent), Karnataka (5.45 per cent),

Gujarat (5.06 per cent), Rajasthan (4.66 per cent), Bihar (4.61 per cent) and Madhya Pradesh (4.51 per cent).

3.13.3 The percentage shares of informal services sector workers were larger than their shares in total workers in services in respect of about eleven states as per the indices. Bihar had the highest index of 1.27 followed by Dadra and Nagar Haveli with an index of 1.22.

3.13.4 Among informal services sector workers, a larger share of 55.51 per cent was in urban areas. The States/UTs which had the highest percentage of informal services sector workers in urban areas included Delhi

(93.28 per cent), Chandigarh (89.42 per cent), Pondicherry (80.93 per cent), Maharashtra (74.93 per cent) and Mizoram (73.84 per cent).

3.13.5 Female workers among informal services sector workers were the lowest with a percentage share of only 16.38 per cent. The States/UTs which had a significantly large share of female workers included Mizoram (47.05 per cent), Meghalaya (46.41 per cent), Manipur (35.90 per cent), Goa (32.41 per cent) and Sikkim (30.96 per cent).

4

Size and Distribution of Informal Employment

4.1 Introduction

4.1.1 The NSS 55th Round Survey on Employment – Unemployment was unique in the sense that data on a number of variables like enterprise type, employment size of the enterprise, coverage of workers under Provident Fund, etc. were collected for the first time in such a survey. Data on these items with more details on some of them like the enterprise type and social security benefits were also collected during NSS 61st Round Survey. These details along with the data on activity status of usual principal and subsidiary status workers could be used to identify informal workers as per the definitions evolved by the Commission. The classification used for recording the activity status of workers in both the surveys were the following:

Activity Status	Code
Self employed own account worker	11
Self employed employer	12
Worked as helper in household enterprise (unpaid family worker)	21
Worked as regular salaried/wage employee	31
Worked as casual wage labour in public work	41
Worked as casual wage labour in other types of work	51

4.1.1 In the NSS 55th Round Survey, the only data item on social security was “whether covered under Provident Fund?” The answers to the question were recorded in the following pre-specified codes:

Yes, GPF	1
Yes, CPF	2
Yes, PPF	3
Yes, combination of above	4
No	5

4.1.3. In the NSS 61st Round Survey, a more detailed assessment about availability of social security benefits was made. The codes provided for recording answers to the question on availability of social security were the following:

Eligible for	
Only PF/Pension (i.e., GPF, CPF, PPF, Pension, etc.)	1
Only gratuity	2
Only health care and maternity benefits	3
Only PF/Pension and gratuity	4
Only PF/Pension, health care & maternity benefits	5
Only gratuity, health care & maternity benefits	6
PF/Pension, gratuity, health care and maternity benefits	7
Not eligible for any of the above social security benefits	8

Though there were multiple choices for recording availability of various types of social security benefits, only those workers not eligible for any of the benefits were regarded as informal workers in tune with the criteria used for analysing 55th Round data.

4.1.4. The 61st Round Survey also included a direct question on availability of job security and sought “whether eligible for paid leave”. Though it was not specifically indicated in the question, whether the leave is of long duration in the form of annual or sick leave, the requisite clarification was provided in the instructions to the field staff. The data gathered through this question were, however, not used for the estimation of informal workers in order to retain comparability of estimates available from NSS 55th Round Survey.

4.2 Estimates of Informal Employment

4.2.1 As per definition, casual employees do not enjoy any job or social security. The unpaid family workers also do not enjoy any of the benefits usually available to paid employees. These categories of workers, whether in the informal sector or formal sector are, therefore, regarded as informal workers. Self-employed own account

years 1999–2000 and 2004–05 and these are given in Table 4.1. As per these estimates, about 45.7 per cent of the employees in the formal sector were informal workers during 1999–2000 and it went up to 46.6 per cent by 2004–05. There was also formal employment in the informal sector to the extent of about 0.4 per cent of the informal sector workers both in 1999–2000 and 0.4 per cent of the work force in 2004–05. Out of the total work force, 91.2 per cent were informal workers in 1999–2000 and it increased to 92.4 per cent in 2004–05.

4.3 Distribution of Formal and Informal Employment by Economic Activity.

4.3.1. In the agriculture sector, about 98.8 per cent of the workers were informal workers in 1999–2000 and the percentage marginally increased to 98.9 per cent in 2004–05. In the case of industries, the percentage of informal workers in 1999–2000 was 85.6 per cent and it increased to 89.4 per cent by 2004–05. In the service sector also, there was an increase in the percentage of informal workers from 75.8 per cent in 1999–2000 to 79.7 per cent in 2004–05. The distribution of workers by type of employment and economic activity is given in Table 4.2.

4.3.2 Of the total informal workers, 64.9 per cent were in agriculture, 15.4 per cent in industry and 19.7 per cent in services during 1999–2000. By 2004–05, these shares changed to 60.6 per cent in agriculture, 18.1 per cent in industry and

Table 4.1 Distribution of Workers by Type of Employment and Sector (Million)

Sector	1999-2000			2004-2005		
	Informal Workers	Formal Workers	Total Workers	Informal Workers	Formal Workers	Total Workers
Informal Sector	341.28 (99.60)	1.36 (0.40)	342.64 (100)	393.47 (99.64)	1.43 (0.36)	394.90 (100)
Formal Sector	20.46 (37.80)	33.67 (62.20)	54.12 (100)	29.14 (46.58)	33.42 (53.42)	62.57 (100)
Total:	361.74 (91.17)	35.02 (8.83)	396.76 (100)	422.61 (92.38)	34.85 (7.46)	457.46 (100)

Note: Figures in bracket indicate percentages

Source: Computed from NSSO 55th (1999–2000) and 61th (2004–05) Round Survey on Employment Un-employment

workers and employers in the informal sector are treated as informal workers and those in the formal sector are treated as formal workers as per definition. Among regular salaried/wage paid workers, those enjoying social security benefits given by the employers are likely to have job security also. Therefore, such workers are regarded as formal workers and those who do not have such benefits are regarded as informal workers.

4.2.2 By using the above categorizations, the estimates of informal and formal employment both in formal and informal sectors were worked out for the

Table 4.2: Distribution of Workers by Type of Employment and Economic Activity (Million)

Economic Activity	1999-2000			2004-2005		
	Informal Workers	Formal Workers	Total Workers	Informal Workers	Formal Workers	Total Workers
Agriculture	234.79 (98.79)	2.89 (1.21)	237.67 (100)	256.07 (98.89)	2.86 (1.11)	258.93 (100)
Industry	55.52 (85.56)	9.37 (14.44)	64.89 (100)	76.64 (89.39)	9.09 (10.61)	85.73 (100)
Services	71.43 (75.83)	22.77 (24.17)	94.20 (100)	89.91 (79.70)	22.90 (20.30)	112.81 (100)
Total:	361.74 (91.17)	35.02 (8.83)	396.76 (100)	422.61 (92.38)	34.85 (7.62)	457.46 (100)

Note: Figures in bracket indicate percentages

Source: ibid

21.3 per cent in services. The shares of both industry and services increased significantly because of high growth of informal employment in these sectors. The shares of informal and formal workers by economic activity are given in Table 4.3.

Table 4.3: Percentage Shares of Workers by Economic Activity (Per cent)

Economic Activity	1999-2000			2004-2005		
	Informal Workers	Formal Workers	Total Workers	Informal Workers	Formal Workers	Total Workers
Agriculture	64.90	8.24	59.90	60.59	8.21	56.60
Industry	15.35	26.75	16.36	18.13	26.09	18.74
Services	19.75	65.00	23.74	21.27	65.71	24.66
Total:	100.00	100.00	100.00	100.00	100.00	100.00

Note: Figures in bracket indicate percentages

Source: *ibid*

4.3.3 Between 1999-2000 and 2004-05, the informal workers registered an impressive growth rate of 3.16 per cent as against a marginal decline of 0.10 per cent in the case of formal workers. Thus, the entire growth in the work force during the five year period from 1999-2000 was by way of informal workers. The trend was the same in all the three sectors of the economy. While the growth rate of informal workers in agriculture, industry and services were 1.75 per cent, 6.66 per cent and 4.71 per cent respectively, the corresponding growth rates of formal workers were -0.18 per cent, -0.60 per cent and 0.12 per cent respectively. The growth rates are given in Table 4.4.

Table 4.4: Employment Growth Rates of Informal and Formal Workers by Economic Activity, 2004-05

Economic Activity	Growth Rate (per cent)		
	Informal Workers	Formal Workers	Total Workers
Agriculture	1.75	-0.18	1.73
Industry	6.66	-0.60	5.73
Services	4.71	0.12	3.67
Total	3.16	-0.10	2.89

Source: *ibid*

4.4. Distribution of Workers by Major Industry Group

4.4.1 The distribution of informal and formal workers by major industry groups in 1999-2000 and 2004-05,

the compound rates of growth in the above period, and percentage shares of workers in each category during 1999-2000 and 2004-05 are given in Annex-4.1.

4.4.2 The absolute number of workers declined significantly between 1999-2000 and 2004-05 in the case of Public Administration & Defence and Community, Social and Personal services. While the estimated number of workers in Public Administration & Defence decreased from 10.48 million in 1999-2000 to 8.84 million in 2004-05, it decreased from 9.75 million to 8.39 million in the case of community, social and personal services.

4.4.3 Among specific industry groups, there was a significant annual growth of 1.75 per cent in the informal workers and a decline of 0.18 per cent in formal workers in agriculture during the period from 1999-2000 to 2004-05. The overall growth rate of workers in agriculture was 1.73 per cent.

4.4.4 In the case of mining, there was an abnormal growth of about 7.0 per cent per annum in the formal employment during 1999-2000 to 2004-05 though as against a growth rate of 2.68 per cent per annum in the case of informal employment. However, there was an unprecedented growth in informal workers within the formal sector mining. In view of the fact that formal mining is primarily in the public sector, the abnormal growth of informal workers in the sector raises issues of job security and social security even in the Government.

4.4.5 In the case of manufacturing, informal workers registered an annual growth rate of about 5.99 per cent while formal workers registered a decline of about 2.09 per cent. This is indicative of non implementation of labour laws, particularly in the context of increasing liberalization and labour flexibility. In the case of electricity, gas and water supply, however, there was a significant growth both in informal and formal workers. The construction sector was also in a high growth trajectory with 8.42 per cent growth in informal workers and 1.93 per cent growth in formal workers.

4.4.6 Trade, which is the third largest industry in terms of employment, registered a growth rate of 3.74 per cent in informal workers and a high rate of decline of 7.52 per cent in formal employment. The industry, however, recorded an overall growth rate of 3.43 per cent in total employment.

4.4.7 Hotels and restaurants was another major industry in high growth trajectory with a growth rate of 5.89 per cent in informal workers and 2.89 per cent in formal workers. The formal workers increased significantly at the rate of 14.80 per cent even within the informal sector in this industry group.

4.4.8 The transport sector registered a significant growth rate of about 5.95 per cent in informal workers but a marginal growth rate of 0.15 per cent in formal workers. The overall growth rate was 4.8 per cent. In the case of banking, finance and insurance sector, informal workers increased at the rate of 14.15 per cent while formal workers grew at the rate of about 2.93s per cent. Thus, there were significant differences in the growth rates of informal and formal workers in both these sectors.

4.4.9 Another industry group which performed significantly well like construction and hotels & restaurants was real estate, renting and business services. While informal workers in this industry group grew at the rate of 10.75 per cent per annum, formal employment grew at the rate of 16.35 per cent. The sector included software services and the growth rate was astounding.

4.4.10 As mentioned earlier, employment in Public Administration & Defence as well as Community, Social & Personal Services declined significantly during 1999–2000 to 2004–05. The rates of decline in informal employment were 5.75 per cent and 3.01 per cent and those in formal employment were 2.94 per cent and 2.35 per cent respectively.

4.4.11 In the case of education and health, there were significant differentials in the growth rates of informal and formal workers. While informal workers grew at the rates of 10.32 per cent and 7.79 per cent, formal workers grew at the rates of 3.25 per cent and 2.43 per cent respectively.

4.5 Distribution of Informal Workers by Industry, Area and Sex

4.5.1 The estimates of informal workers by industry, area and sex, their percentage distributions, shares of each category of informal workers to total workers in each category are given in Annex 4.2.

4.5.2 The share of rural areas in informal workers was 78.2 per cent in 2004–05 as compared to a share of 75 per cent in total work force. It consisted of 49.4 per cent males and 28.8 per cent females. Out of the remaining 21.8 per cent urban informal workers, 16.9 per cent were males and 4.8 per cent were females. In

the total informal work force, 66.4 per cent were males and 33.6 per cent were females. Among different industry groups, the share of rural areas was significantly lower in the case of real estate, renting and business services (22.4 per cent), banking, finance & insurance (27.98 per cent) private households with paid employees (29.7 per cent), hotels and restaurants (41.3 per cent), trade (43.58 per cent) health and social work (45.89 per cent) and education (49.02 per cent). The share of females in the informal workers was the lowest in the case of transport and storage (2.1 per cent), electricity, gas and water supply (6.9 per cent), real estate, renting and business services (8.9 per cent), construction (10.6 per cent), trade (11.3 per cent), banking, finance & insurance (13.3 per cent) and hotels and restaurants (19.6 per cent).

4.5.3 Among the rural male informal workers, 68.9 per cent were in agriculture, 7.7 per cent in trade and manufacturing each, 7.0 per cent in construction and 3.6 per cent in transport. The major industries employing rural females were agriculture (84.4 per cent), manufacturing (8.2 per cent), trade (2.1 per cent) and construction (1.5 per cent). The industries which employed the the largest percentages of informal urban male workers were trade (30.3 per cent), manufacturing (23.7 per cent), construction (11.1 per cent), transport (10.4 per cent) and agriculture (7.4 per cent). The largest shares of urban female informal workers were in manufacturing (31.1 per cent), agriculture (20.7 per cent), trade (11.3 per cent), education (7.3 per cent) and construction (4.4 per cent). Among the total informal workers 60.6 per cent were in agriculture, 11.7 per cent in manufacturing 10.1 per cent in trade, 6.0 per cent in construction and 3.6 per cent in transport.

4.5.4 The distribution of informal workers by two digit level industry groups and percentage shares of different industries are given in Annex 4.3 , 4.4 and 4.5. At this level of industry group, the single largest industry after agriculture, which employed the largest share of informal workers was retail trade with a share of 8.2 per cent. The share of this industry group in rural informal workers was 4.8 per cent and that in urban informal workers was 20.3 per cent. The other industries which had at least one percent share in total informal employment are listed in Table 4.5 along with their percentage shares.

4.6 Distribution of Informal Workers by Age & sex

4.6.1 The distribution of informal workers by age and sex and the percentage by age group and sex are given in

Table 4.5: Industries with the Highest Share of Informal Workers, 2004-05

Sl. No.	Industry Group	Percentage		
		Male	Female	Total
1	Agriculture, hunting & forestry	53.17	75.25	60.59
2	Retail trade and repair of personal & household goods	10.79	3.14	8.22
3	Construction	8.06	1.90	5.99
4	Land transport	4.84	0.10	3.25
5	Manufacture of textiles	1.85	2.79	2.17
6	Manufacturing of wearing apparel, dressing and dyeing of fur	1.55	1.97	1.69
7	Hotels and restaurants	1.66	0.80	1.37
8	Other service activities	1.46	1.04	1.32
9	Education	0.91	1.93	1.25
10	Wholesale trade and commission trade	1.75	0.20	1.23
11	Manufacture of wood and products of wood & cork.	1.29	1.09	1.22
12	Manufacture of food products & beverages	1.34	0.96	1.21
13	Private households with employed persons	0.47	2.38	1.12
14.	Manufacture of furniture & manufacture n.e.c.	1.33	0.50	1.05

Source: ibid

Annex 4.6. As per the estimates available from NSS 61st Round Survey, as many as 8.3 million informal workers were children upto the age of 14 years. These workers constituted about 1.97 per cent of the total informal workers. About 4.45 million of them were males and the remaining 3.85 million were females. About 6.89 million child workers were in rural areas and 17 per cent in urban areas.

4.6.2 About 52 per cent of the informal workers were in the prime age group of 20 to 39 and among them 66.3 per cent were males and the remaining 33.7 per cent females. Rural areas accounted for 76.0 per cent of these workers and urban areas the remaining 24.0 per cent.

4.6.3 Those aged 60 years above constituted about 7.0 per cent of the informal workers and among them 72.5 per cent were males and 27.5 per cent were females. About 84.3 per cent of these workers were in rural areas and the remaining 15.7 per cent in urban areas.

4.7 Educational Status of Informal Workers

4.7.1 The estimates of informal workers by educational status, percentage distributions and indices of shares as compared to total workers are given in Annex-4.7. Informal workers consisted of 41.4 per cent illiterates, 11.6 per cent below primary and 14.5 per cent primary

level educated. The first two categories taken together accounted for about 53.0 per cent of the total informal workers. Those who have completed Higher Secondary and above education were only 8.73 per cent of the total informal workers.

4.7.2 In the case of females 63.4 per cent were illiterates, and 8.9 per cent were below primary. Together, they made 72.3 per cent of the female informal workers. Those with

educational status of higher secondary and above in the female informal workers were just 3.88 per cent.

4.7.3 In rural areas, about 46.8 per cent of the informal workers were illiterates and another 12.0 per cent were below primary and both together aggregated to 58.8 per cent. There were considerable variations in the distribution of male and female rural informal workers by level of education. While among males only 35.2 per cent were illiterates, among females 66.9 per cent were illiterates. Those below primary were 13.8 per cent and 8.8 per cent of males and females respectively.

4.7.4 In the urban areas, 21.8 of informal workers were illiterates and another 10.1 per cent were below primary. However, among females 42.6 per cent of the informal workers were illiterates as compared to 15.9 per cent among males. Those below primary were 10.3 per cent among males and 9.5 per cent among females.

4.7.5 Among the total illiterate informal workers, 88.5 per cent were in rural areas consisting of 42.0 per cent males and 46.5 per cent females. Of the urban informal workers, 6.5 per cent were males and 5.0 per cent females. In aggregate, women exceeded men with 48.5 per cent males and 51.5 per cent females among illiterate informal workers. In all other categories of informal workers, men exceeded women in significantly large proportions.

4.7.6 Indices of informal workers by level of education reveal that illiterates and other less qualified workers were more among informal workers than among formal workers invariably in all categories. Similarly, workers with secondary and higher levels of education were less among informal workers than among formal workers.

4.8 Distribution of Informal Workers by Activity Status

4.8.1 The estimated informal workers by usual activity status, percentage distribution and indices of shares are given in Annex-4.8. As per the estimates, as high as 60.2 per cent of the informal workers were self-employed. It consisted of 33.3 per cent own account workers, 1.2 per cent employers and 25.7 per cent unpaid family workers. While about 35.3 per cent of the self-employed informal workers were females, about 45.5 per cent among them were unpaid family workers. Own account workers and employers among self-employment women were only 17.2 per cent and 0.4 per cent respectively as against 41.4 per cent and 1.6 per cent of males. The unpaid family workers among male informal workers were only 15.6 per cent as against 45.5 per cent of females.

4.8.2 The regular wage employees among informal workers constituted about 9.1 per cent and the remaining 30.7 per cent were casual workers. Among females the regular wage employees were only 5.5 per cent as compared to 11.0 per cent among male informal workers.

4.8.3 In rural areas, 61.7 per cent of the informal workers were self-employed with 32.0 per cent own account workers, 0.9 per cent employers and 28.8 per cent unpaid family workers. The percentage of self-employed and within them the unpaid family workers are very high in rural areas as compared to urban informal workers.

4.8.4 The difference between male and female informal workers in activity status was more adversely balanced against women in rural areas. While the self-employed among rural male informal workers was 60.1 per cent, such workers among females were 64.5 per cent. Among the self-employed, only 17.3 per cent of the males were unpaid family workers while the percentage of such workers among females were 48.6 per cent. Similarly, the share of regular wage employees among females was only 2.2 per cent as against a share of 5.5 per cent among males.

4.8.5 In the urban areas, the share of self employed among informal workers was 54.7 per cent. The

percentage share of regular wage employees was significantly high and about 26.6 per cent. The percentage share of casual workers was comparatively low and was 18.7 per cent. Even in urban areas, the differences between male and female workers prevailed. Although, the percentage shares of self-employed among males and females were not very much different, the composition within the self employed varied significantly. While among males 40.8 per cent were own account workers and 10.7 per cent unpaid family workers, among females only 27.3 per cent were own account workers and about 27.4 per cent were unpaid family workers.

4.8.6 The indices of shares of informal workers by activity status indicate that all categories of informal workers except employers and regular wage employees have a larger share among both males and females in rural areas. In the urban areas also, the informal workers have a larger share among all categories of workers except in the case of the regular wage employees and urban female employers.

4.9 Distribution of Informal Workers by Social Groups

4.9.1 The estimates of informal workers by social groups and by area, percentage distributions and indices of shares are given in Annex-4.9. As in the case of informal sector workers about 10.2 per cent of the informal workers were scheduled Tribes and 20.3 per cent Scheduled Castes. The percentage share of STs among males was lower at 8.7 per cent and that of females was higher at 13.2 per cent. The share of SCs was also lower among males (19.8 per cent) and higher among females (21.4 per cent). The OBCs constituted about 42.1 per cent of the informal workers and about 27.4 per cent were others.

4.9.2 The shares of STs and SCs in informal workers were more in rural areas than in urban areas. While the share of STs among rural informal workers was 12.1 per cent the same among urban informal workers was only 3.1 per cent. The shares of SCs among rural and urban informal workers were 21.6 per cent and 15.7 per cent respectively.

4.9.3 About 93.3 per cent of STs and 83.1 per cent of SCs among informal workers were in rural areas. The share of females among STs was 48.4 per cent and that of SCs was 35.4 per cent.

4.9.4 The indices revealed that the shares of SCs, STs and OBCs among informal workers were relatively higher than their shares in total work force including formal

workers. By sector and sex rural areas have more than proportionate shares of informal workers.

4.10 Distribution of Informal Workers by MPCE Classes

4.10.1 The distribution of informal workers by MPCE classes, percentage distributions and indices in rural areas are given in Annex-4.10. The distributions in the case of urban informal workers are given in Annex-4.11.

4.10.2 In rural areas, the percentage shares of females in the informal workers decreased with the increase in MPCE class. Thus higher the monthly per-capita consumption expenditure class, lower was the percentage share of female informal workers as compared to male workers. It implied that women were more engaged in less productive and low wage activities

4.10.3 The indices of shares of rural informal workers by MPCE classes indicate that the percentage shares of informal workers in the lower expenditure classes were higher than the shares of total workers, while in higher expenditure classes the shares of informal workers were lower. This was true both for males and females. The expenditure class in which shares were equal was Rs.580-690. Beyond this expenditure class, the formal workers had a larger share.

4.10.4 The indices of shares of rural informal workers by sex indicate that the share of female informal workers were generally higher in most of the expenditure classes, particularly in top expenditure classes, than the shares of females in the total work force. Thus most women in rural areas have informal work than formal work.

4.10.5 In the urban areas, the percentage shares of females in the informal workers were the highest in the lowest two expenditure class and then it decreased with the increase in expenditure class except for the highest expenditure class. There was, thus, a larger share of informal female workers in the highest expenditure class.

4.10.6 The indices of shares of urban informal workers by MPCE classes indicated a similar picture as that of rural areas, except that in urban areas the differences were more pronounced. The lower expenditure classes had significantly higher shares of informal workers and the higher expenditure classes had a significantly lower shares of informal workers than the shares of total workers. The turn around occurred in the expenditure class Rs.790 to 930.

4.10.7 The indices of shares of urban informal workers by MPCE classes revealed that the shares of female informal workers in expenditure classes upto Rs.1380 to

1880 were higher, but in the last two expenditure classes the shares of men were higher than those in the total workers.

4.11 State-wise Estimates of Informal Workers

4.11.1 The state-wise estimates of informal workers in the year 2004-05 are given in Annex-4.12. The ratios of informal workers to total workers in each State/UT by sector and sex are given in Annex-4.13. The percentage shares of each State in the total informal workers and indices of shares of informal workers are given in Annex-4.14 and 4.15. The shares of different categories of workers in each State/UT are given in Annex-4.16 and the relevant indices are given in Annex-4.17.

4.11.2 The top ten States which had the highest percentage of informal workers were the same as those which had the highest percentage of informal sector workers with some change in the order. While Madhya Pradesh was the fifth in the descending order of percentage shares of informal sector workers, it became sixth in the same order of informal workers. Similarly, Karnataka and Bihar exchanged 8th and 9th positions. These ten States taken together accounted for 77.6 per cent of the total informal employment. The names of these States in the descending order of percentage shares are given in Table 4.6

4.11.3 The shares of informal workers as a percentage of total workers in each state in each category revealed that Bihar had the highest percentage of informal workers. About 97.54 per cent of the total workers in

Table 4.6 Percentage Shares of Informal Workers in Top Ten States, 2004-05 (Per cent)

Sl. No.	State	Percentage		
		Male	Female	Total
1.	Uttar Pradesh	16.06	12.97	15.02
2.	Maharashtra	9.60	11.74	10.32
3.	Andhra Pradesh	7.97	11.03	8.99
4	West Bengal	8.58	4.85	7.33
5	Tamil Nadu	5.95	7.76	6.56
6	Madhya Pradesh	6.34	6.80	6.49
7	Rajasthan	5.39	7.26	6.02
8.	Karnataka	5.50	6.51	5.84
9	Bihar	6.75	3.34	5.61
10.	Gujarat	5.27	5.72	5.43
	Total	77.41	77.98	77.61

Source: ibid

that state were informal workers. In rural areas, the share of informal workers was 98.76 per cent and in the urban areas it was 85.48 per cent in Bihar. Bihar was followed by Uttar Pradesh with 95.80 per cent share of informal workers. The names of the eight states in which the percentage of informal workers were higher than the national average along with their shares in rural and urban employment are given in Table 4.7.

Table 4.7 States with the Highest Percentage of Workers as Informal Workers, 2004-05 (Per cent)

Sl. No.	State	Informal Workers as a Percentage of Total Work Force		
		Male	Female	Total
1.	Bihar	98.76	85.48	97.54
2.	Uttar Pradesh	98.20	86.51	95.80
3.	Rajasthan	97.84	85.47	95.17
4.	Chhattisgarh	97.95	77.07	95.17
5.	Madhya Pradesh	98.34	81.79	94.84
6.	Orissa	96.95	76.73	94.53
7.	Andhra Pradesh	97.44	74.32	93.97
8.	Jharkhand	96.86	84.05	93.95
9.	Karnataka	97.01	78.31	91.90
10.	Gujarat	96.98	79.07	91.59

Source: *ibid*

4.11.4 The States/UTs which had the lowest shares of informal workers were Lakshadweep (56.94 per cent), Chandigarh (61.75 per cent), Andaman & Nicobar (69.44 per cent), Goa (72.77 per cent), Delhi (75.65 per cent) and Kerala (81.27 per cent).

4.11.5 The indices of shares of informal workers in each State/UT as compared to shares of total workers revealed that Bihar had the highest index of 1.06. Uttar

Pradesh had an index of 1.04 and the State of Madhya Pradesh, Rajasthan, and Chhattisgarh had an index of 1.03. The States of Andhra Pradesh, Orissa and Jharkhand had an index of 1.02. These States thus had proportionately larger shares of informal workers than the total workers.

4.11.6 The States, which had the lowest indices were Lakshadweep (0.62), Chandigarh (0.67), Andaman & Nicobar (0.75), Goa (0.79) and Kerala (0.88). These States/UTs had a proportionately lower share of informal workers than the total workers.

4.11.7 The percentage of female workers among informal workers was the highest in Himachal Pradesh (48.44 per cent), Nagaland (47.56 per cent), Meghalaya (44.97 per cent), Chhattisgarh (43.24 per cent), Dadra & Nagar Haveli (43.14 per cent), Arunachal Pradesh (43.16 per cent), Uttarakhand (42.34 per cent), Mizoram (41.32 per cent), Andhra Pradesh (41.19 per cent) and Rajasthan (40.50 per cent). The States/UTs which had the lowest shares of females among informal workers were – Lakshadweep (9.16 per cent), Delhi (9.43 per cent), Tripura (13.0 per cent), Chandigarh (13.67 per cent) Bihar (20.04 per cent) and West Bengal (22.24 per cent).

4.11.8 The indices of shares of informal workers by sector and sex, revealed that the percentage shares of informal workers in rural areas was invariably high in almost every state except Kerala in which the shares of informal workers and total workers were exactly the same. Similarly, the percentage shares of females in informal workers were higher as compared to shares of females in total workers in most of the States except Kerala, Tripura, Chandigarh, Delhi and Lakshadweep. In these States, the percentage shares of females in formal employment were much higher.

5

Estimate of Informal Sector GDP

5.1 Introduction

5.1.1 The economic value of goods and services produced in the Indian economy is estimated in terms of Gross Domestic Product (GDP) by using a combination of production, income and expenditure methods. The estimation of contribution of any sub-sector of the economy, like the informal sector, to GDP also needs to use the same methodology and procedures for maintaining comparability and complementarity. It also has to be within the overall framework being used for the compilation of national accounts statistics in the country.

5.1.2 A Sub-Committee of the Task Force reviewed various methods available for the estimation of informal sector GDP keeping the above aspects in view. The composition of the Sub-Committee is given in Appendix-VI. In particular, it reviewed the methodology suggested by the OECD, the estimation procedures followed by the Central Statistical Organisation (CSO) and a paper presented by Shri Ramesh Kolli and Shri Suvendu Hazra in the Eighth meeting of the Delhi Group on Informal sector held in February, 2005. Based on the review and the details provided by the CSO, the Committee recommended a modified apportioning method for the estimation of the contribution of the informal sector to GDP.

5.2 Labour Input Method

5.2.1 In the book titled 'Measuring the Non-observed Economy – A Handbook' by OECD

(2002), the Labour Input Method has been suggested as a feasible method for estimating un-observed economy including the contribution of informal sector to GDP. In this method, the estimated labour input in each industry group is multiplied by the corresponding Gross Value Added (GVA) per unit of labour. The use of this methodology for the estimation of GDP depends on the availability of reliable data sets on sector-wise employment and GVA per unit of labour input for all sectors of the economy at regular intervals of time.

5.2.2 In the context of India, the estimates of labour input can be worked out with reasonable level of accuracy by using the data sets of NSS Employment –Unemployment Surveys and projected population estimates. However, the estimation of gross value added per worker is a difficult task due to non-coverage of all sectors of the economy in the enterprise surveys being conducted in India. For example, there has not been any enterprise survey in the informal sector for the estimation of gross value added per worker in the agriculture, mining and electricity, gas & water supply sectors during the last two decades. In the case of other sectors, the estimates are not available for all the industry groups for any single year, as enterprise surveys on different subjects are conducted on different years. The coverage of these surveys in different rounds are also always not the same. There are also self-employed persons like maid servants, home tutors, head load workers, etc who may not be captured in any enterprise survey. The estimates of gross value

added per worker obtained from the surveys are also considered to be under estimates due to various reasons including under reporting of receipts. The statistical system in India at present is thus not attuned to produce statistics at a level of reliability equivalent to the organised sector required for the estimation of informal sector GDP. However, ad-hoc attempts have been made in the past to capture the relevant data sets.

5.3 CSO Methodology

5.3.1 The Central Statistical Organization (CSO) compiles the estimates of GDP for organised and unorganised sectors (as used in NAS) separately at the level of broad compilation categories. The organised sector is, however, not uniformly defined and there are variations in coverage across various industry groups. By and large, all Government and Public Sector Enterprises are in the organised sector. In some specific industry groups, the private corporate sector is also included in the organised sector. In some other industries, the entire activity is in the organised sector. The residual activities for which no regular statistical reporting systems are available are categorized as unorganised sector for the purpose of national accounts. The GDP estimates of unorganised sector in each industry group are initially prepared for a bench mark year by using labour input method. For the subsequent years, the benchmark year estimates are extrapolated with appropriate physical indicators and the relevant price indices. CSO's methodology is given in Appendix-IX

5.4 Method of Apportioning

5.4.1 Shri Ramesh Kolli and Shri Suvendu Hazra of the CSO estimated the share of informal sector (as distinguished from unorganised sector) in the Net Domestic Product (NDP) by apportioning the estimated unorganised sector NDP as put out by the CSO in their NAS estimates by using a method of apportioning. The definitions and assumptions used in apportioning are as under:

- i) All own account enterprises and among the enterprises with at least one hired worker, those having five or less workers are considered as informal sector enterprises;
- ii) Among the enterprises identified above, the following were excluded:
 - a) registered under the Companies Act;

- b) employing processes requiring high degree of technical know how;
 - c) franchises of formal sector units;
 - d) not covered under the production boundary; and
 - e) non- profit institutions;
- (iii) The following assumptions were also made in respect of specific industry groups
- (a) In the case of 'agriculture, forestry and fishing', 'mining', electricity, gas and water supply' and 'construction' sectors, the entire NDP of unorganised sector is assumed to be in the informal sector.
 - (b) The GDP shares of informal sector enterprises as revealed by the NSS 56th Round Survey on Unorganised manufacturing were considered to remain unchanged over the years.
 - (c) In the case of 'trade, hotels and restaurants' sector, the estimates of GDP shares of informal sector as revealed by NSS 55th Round Survey on Informal Sector were assumed to be valid for subsequent years.
 - (d) For 'transport and communication' sector, the GDP shares as estimated from NSS 57th Round survey on Unorganised Services, after netting out NPIHs and establishments out of production boundary, were considered to be unchanged. The same assumption is followed in the case of 'real estate, financial, ownership of dwellings and business services'. In the case of financial services, however the 'private money lenders', etc. which should have been considered as informal sector, were not covered by any survey and as such not taken in the Indian System of National Accounting.

5.4.2 By using the above methodology Kolli and Hazra estimated the contribution of informal sector to net domestic product (NDP) as 47.8 per cent for the year 2001-02, though the conventional estimates of the unorganised sector was 58.5 per cent. The sector wise details are given in Table 5.1.

Table 5.1: Share of Informal sector in NDP for the year 2001-02(Per cent)

	Major Industry Group	Informal	Others	Unorganised	Organised	Total
1.	Agriculture, forestry and fishing	25.5		25.5	0.9	26.4
2.	Mining and quarrying	0.2		0.2	1.8	2.0
3.	Manufacturing	1.6	3.4	5.0	8.4	13.4
4.	Electricity, gas and water supply	0.1		0.1	1.0	1.0
5.	Construction	3.9		3.9	2.5	6.4
6.	Trade, Hotels, restaurants	9.3	2.5	11.9	3.8	15.6
7.	Transport and communication	3.3	0.6	3.9	2.8	6.7
8.	Real estate, financial services and ownership of dwellings	2.6	2.9	5.4	7.6	13.0
9.	Community, social and personal Services	1.3	1.3	2.6	12.8	15.4
10.	Total	47.7	10.7	58.5	41.5	100.0

5.5 Modified Method of Apportioning: Sub-Committee Approach

5.5.1 In this method, both the employment shares and productivity differences as revealed by various surveys are used for apportioning of GDP estimates relating to each tabulation category as computed by the Central Statistical Organisation (CSO). Apportioning is, however, not confined to GDP estimates of unorganised sector as in the case of apportioning method followed by Shri.Kolli and Shri.Hazra. Instead, in some of the sectors like services, the entire GDP estimate is apportioned. The labour input in each of the compilation categories of National Accounts, classified as per the proposed definitions of informal sector were computed from the NSS 55th and 61st Round surveys of Employment and Unemployment after making appropriate adjustments for census population estimates/projections. These estimates were used for deriving appropriate ratios for apportioning.

5.5.2 The organised sector for the purpose of compilation of national accounts in the case of agriculture consisted of all government and public sector undertakings and plantation crops of tea, coffee and rubber in the private sector. In the absence of any data sets on the contribution of corporate sector to agriculture except in the case of plantation, it is assumed that the entire GDP outside the organised sector of agriculture can be approximated as the contribution of Informal sector as defined by the Commission.

5.5.3 In the manufacturing sector, all the registered factories covered under the Factories Act, 1948 constituted the organised sector. The unorganised sector as per national accounts, therefore, included establishments in the corporate and Government sectors as well as those employing more than nine workers but not registered under the Factories Act, 1948. Thus the informal sector as per the Commission definition was a sub-set of the unorganised sector¹ as identified in the national accounts. Therefore, apportioning was to be done only for the unorganised component of the GDP. The methodology for apportioning consisted of the following steps.

- (i) By using the data sets of Employment-Unemployment surveys, work force in the manufacturing sector was divided between ASI and Non-ASI sectors. The enterprise characteristics like number of workers employed, use of electricity, were used for making such a division.
- (ii) The work force engaged in the Non-ASI Sector was further divided into those belonging to informal sector and outside as per Commission's definition. Again the enterprise characteristics like type of enterprise and employment size were used for the classification.
- (iii) The NSS 56th Round Survey on Unorganised Manufacturing Enterprises included all the

¹ In this chapter Unorganised sector refers to CSO nomenclature while Informal sector refers to the Commission's nomenclature

establishments not covered under the Annual Survey of Industries. The establishments surveyed were classified into those belonging to the informal sector and others by using the criteria of enterprise type and number of workers. The average gross value added per worker has been then estimated for each group separately in each compilation category.

- (iv) The employment estimates of informal sector and others in each compilation category as obtained from NSS 55th and 61st Round surveys were then multiplied with the corresponding gross value added per worker estimates obtained from NSS 56th Round to get notional estimates of GVA in each group.
- (v) The ratio for apportioning the estimated unorganised sector GDP is then computed by dividing the notional gross value added estimate of informal sector with the total gross value added of unorganised sector for each compilation category.
- (vi) The ratios thus worked out were applied to GDP estimates of unorganised sector for each compilation category to estimate the contribution of informal sector.

5.5.4 In the case of construction, trade, banking, financial intermediation and insurance, the organised sector in the compilation of national accounts include all public and private corporate sector enterprises. Therefore, apportioning has to be done only for unorganised sector GDP in these groups of industries also as in the case of manufacturing sector. The methodology for apportioning thus involved the following steps.

- (i) The work force employed in the non-public and non-corporate sector in each of the compilation categories of the above industry groups was divided into those belonging to informal sector and others by using the data on enterprise type and number of workers.
- (ii) The proprietary and partnership establishments in the above categories of industries were surveyed in the NSS 55th Round Informal Sector Survey. The data sets of this survey were used for estimating the average value added per worker separately for informal sector establishments and others in each compilation category.

- (iii) The employment estimates of informal sector and others in each compilation category as obtained from NSS 55th and 61st Round surveys were then multiplied with the corresponding gross value added per worker estimates obtained from NSS 55th Round Informal Sector Survey to get notional estimates of GVA in each sector. Thus

- (iv) The rest of the steps are the same as those at steps (v) and (vi) under 5.3.

5.5.5 In the services sector, there were variations in the coverage of organised sector in the compilation of national accounts. While in the case of hotels and restaurants, the establishments in the public, corporate and co-operative sectors were included in the organised sector, in the case of health services only the public sector medical facilities were earlier treated as organised. Corporate sector health facilities have also been included in the organised sector in the latest revision of National Accounts. In the case of education, all recognized educational institutions without any consideration of ownership type and number of workers were included in the organised sector. In Public Administration and Defence and Railways, the entire sector has been regarded as organised. The public sector was, however, invariably included in the organised sector in all the compilation categories. The NSS 57th Round Unorganised Services Sector Survey also covered all the establishments in the non-public sector. However, there were certain tabulation categories for which value added per worker estimates were not available from the Unorganised Services Sector Surveys. These were:

- (a) Air transport,
- (b) Postal Services,
- (c) Public administration,
- (d) Private households with employed persons, and
- (e) Extra-territorial organizations and bodies.

5.5.6 In view of the above, the apportioning exercise had to take into account the total GDP estimate of the relevant compilation categories. The steps involved in the exercise were the following:

- (i) The total employment in each of the compilation categories as obtained from NSS

55th and 61st Round Surveys was divided into informal sector employment and others by the criteria of enterprise type and number of workers.

- (ii) The gross value added per worker was estimated separately for informal sector enterprises and others in each compilation category from NSS 57th Round Survey on Unorganised Services (excluding trade and finance).
- (iii) The employment estimates of specific sectors in each compilation category were multiplied with the corresponding GVA per worker obtained from NSS 57th Round Survey to get notional estimates of GVA in each sector.

In the case of compilation categories for which value added per worker estimates were not available either for the units in the informal sector or for the other sector, the overall productivity ratio between informal sector establishments and others in the entire services sector was used for deriving the relevant ratios.

- (iv) The ratios for apportioning the total GDP estimate of each of the compilation categories in the above service industries were computed by dividing the notional estimates of GDP in the informal sector with the total notional GDP estimate in that category.

The assumption in the methodology is that the productivity in terms of value added per worker for public sector establishments is not very different from the establishments in the organised sector including corporate and co-operative sector establishments.

- (v) The ratios thus worked out were applied to GDP estimates of the respective tabulation categories to estimate the share of informal sector in the relevant tabulation category.

5.5.7 Mining, Electricity, Gas & Water supply establishments are largely in the public and corporate sector. Production estimates and other data sets in these

sectors are, therefore, mostly available from Government agencies. Major minerals as reported by the Indian Bureau of Mines constitute organised mining for the purpose of national accounts irrespective of ownership of enterprise and employment size. Similarly, in the case of electricity, gas and water supply total activity of electricity and public sector part of gas and water supply are included in the organised sector of national accounts. Here again no ownership and employment size criteria were used for division between organised and unorganised sectors. It is therefore, necessary to apportion the total GDP for estimating the contribution of informal sector. The methodology adopted for the same involved the following steps:

- (i) The total employment in each of the tabulation categories as obtained from NSS 55th and 61st Round Surveys was divided into informal sector employment and others by the criteria of enterprise type and number of workers
- (ii) The NSS 55th and 61st Round Employment-Unemployment surveys showed the existence of informal sector establishments in these industries. However, estimates of gross value added per worker were not available in the case of these industries from any recent surveys. In the case of these industries and those services for which value added per worker estimates were not available from any recent surveys, the productivity ratios between organised sector establishments and informal sector establishments in the entire services were used for deriving the relevant ratios for apportioning.
- (iii) The above ratios were applied to GDP estimates of the respective compilation categories to estimate the share of informal sector in the relevant compilation category.

The detailed methodology is given in Appendix-X.

5.6 Estimated GVA by Using the Modified Methodology

5.6.1 By following the above methodology the GDP estimates of Informal Sector in different industry groups were estimated for the years 1999-2000 and 2004-05 and given in Table 5.2.

Table 5.2: Estimated GVA by Industry Group (crore)

Industry Group	55th Round (1999-2000)			61st Round (2004-05)		
	GVA		Per cent of Informal Sector to Total	GVA		Per cent of Informal Sector to Total
	Informal Sector	Total		Informal Sector	Total	
Agriculture	431131	446515	96.55	506990	536629	94.48
Mining	12478	41594	30.00	15204	84464	18.00
Manufacturing	77579	268927	28.85	123859	461531	26.84
Electricity, Gas & Water	1781	44526	4.00	1818	60607	3.00
Construction	45559	102007	44.66	86024	185669	46.33
Trade	179349	231878	77.35	318753	424552	75.08
Hotels & Restaurants	12511	22265	56.19	20211	39781	50.80
Transport & Storage	76381	133373	57.27	111220	250214	44.45
Banking, Finance & Insurance	7852	105662	7.43	15588	167831	9.29
Real estate, Renting & Business Services	98778	127887	77.24	155620	245298	63.44
Public Administration & Defense	4467	122384	3.65	710	177496	0.40
Education	9608	69563	13.81	13145	106580	12.33
Health & Social Work	6026	27640	21.80	12323	53137	23.19
Other Community, Social & Personal Services	23527	38545	61.04	38860	55961	69.44
Private Household & Extra territorial Organisation	3014	3762	80.11	5894	6185	95.29
Total	990041	1786528	55.42	1426218	2855934	49.94

5.6.2 The share of informal sector in total GDP reduced by about 5.48 percentage points in aggregate between 1999-2000 and 2004-05. Increase in labour productivity of formal sector establishments and decline in the GDP contribution of informal sector in some of the industry groups seem to be the reasons for such a reduction.

5.6.3 Informal sector GDP estimates at constant prices of 1999-2000 for the year 2004-05 were worked out by deflating the estimates at current prices in each industry group. The ratios at current and constant price GDP estimates released by the CSO were used as price deflators. These estimates along with the growth rates are given in Table 5.3. There were considerable declines in the

informal sector GDP in the case of Mining, Electricity, Gas & Water Supply and Public Administration & Defence. These sectors were primarily in the public sector and informal sector employment in the last two industry groups reduced considerably during the period from 1999-2000 to 2004-05. In the case of mining, though there was no absolute decline in informal sector employment, its share as a percentage of total employment in the industry declined significantly. This may be due to restrictions/bans imposed by different state governments on various types of quarrying. There were also declines in employment both in informal and formal 'other community, social & personal services sectors' though GDP growths were positive.

Table 5.3: GDP Estimates at 1999-2000 prices and growth rates

Industry Group	Informal Sector			Total		
	1999-200	2004-05	Growth Rate (per cent)	1999-200	2004-05	Growth Rate (per cent)
Agriculture	431131	456398	1.15	446515	483080	1.59
Mining	12478	9405	-5.50	41594	52250	4.67
Manufacturing	77579	98605	4.91	268927	367426	6.44
Electricity, Gas & Water	1781	1636	-1.69	44526	54531	4.14
Construction	45559	72014	9.59	102007	155431	8.79
Trade	179349	256996	7.46	231878	342297	8.10
Hotels & Restaurants	12511	16266	5.39	22265	32016	7.53
Transport & Storage	76381	107440	7.06	133373	241711	12.63
Banking, Finance & Insurance	7852	12998	10.61	105662	139940	5.78
Real estate, Renting & Business Services	98778	116254	3.31	127887	183247	7.46
Public Administration & Defense	4467	584	-33.43	122384	146031	3.60
Education	9608	11327	3.35	69563	91840	5.71
Health & Social Work	6026	10619	12.00	27640	45789	10.62
Other Community, Social & Personal Services	23527	33486	7.31	38545	48222	4.58
Private Household & Extra territorial Organisation	3014	5079	11.00	3762	5330	7.22
Total	990041	1209107	4.08	1786528	2389141	5.99

5.7 Differences between the three methods

5.7.1 A comparison between the three methodologies is given in Table- 5.4. The 'modified apportioning method' is an improvement over other existing methods as it is consistent with the NCEUS definition and takes into account both employment and productivity differentials.

Table 5.4: Comparison between the Methodologies

Item	CSO	Kolli & Hazra	Commission
Definitions of informal sectors	Follows different criteria for different industry groups mainly dictated by availability of data	Enterprises employing upto 5 workers with certain exemptions as informal sector which is a sub set of the CSO's unorganised sector.	Proprietary and partnership enterprises employing less than 10 workers
Share of Informal Sector	Varies between 57 and 60 percent since 1993-94	58.5 per cent of NDP belongs to unorganised sector of which 47.7 per cent is informal sector in 2001-02.	55.42 per cent in 1999-2000 and 49.94 per cent in 2004-05
Methodology	The GDP estimates of unorganised sector in each compilation category are initially prepared for a bench mark year by using labour input method. The labour input data is obtained from Census of Small Scale Industry, NSS surveys on Employment & Unemployment, DGET etc. For the subsequent years, the benchmark year estimates are extrapolated with appropriate physical indicators and the relevant price indices.	Employment estimates from 55th round for all compilation categories. Value added per worker for services from 57th round and for the rest of the sectors from 55th round. Multiplying the employment with value added per worker to arrive at the informal sector estimates. The overall unorganised sector as defined by CSO is kept constant.	Value added per workers estimated from 55th, 56th and 57th round unorganised sector surveys. Employment estimates from 55th and 61st Round EUS survey. Apportioning was not limited only to unorganised sector GDP. In the services sector total GDP was apportioned.

5.8 Estimates of Employment Elasticities

5.8.1 Employment elasticities of formal and informal sectors in different industry groups were estimated by dividing the GDP growth rates with the corresponding employment growth rates. The relevant growth rates and elasticities are given in Table 5.5.

Table 5.5: Employment Elasticities between 1999-2000 and 2004-05

Economic Activity	GVA Growth Rate (per cent)			Employment Growth Rate (per cent)			Elasticity		
	Informal	Formal	Total	Informal	Formal	Total	Informal	Formal	Total
Agriculture	1.15	11.64	1.59	1.72	2.20	1.73	1.50	0.19	1.09
Mining	-5.50	8.03	4.67	0.22	6.25	3.97	-0.04	0.78	0.85
Manufacturing	4.91	7.04	6.44	5.13	4.11	4.83	1.04	0.58	0.75
Electricity, Gas & Water	-1.69	4.35	4.14	-1.99	3.16	2.77	1.18	0.73	0.67
construction	9.59	8.12	8.79	8.77	6.58	8.21	0.91	0.81	0.93
Trade	7.46	10.18	8.10	3.85	-3.68	3.43	0.52	-0.36	0.42
Hotels & Restaurants	5.39	10.06	7.53	5.34	8.44	5.72	0.99	0.84	0.76
Transport & Storage	7.06	18.70	12.63	6.09	1.26	4.80	0.86	0.07	0.38
Banking, Finance & Insurance	10.61	5.35	5.78	10.00	5.49	6.54	0.94	1.03	1.13
Real estate, Renting & Business Services	3.31	18.14	7.46	10.25	15.94	11.74	3.09	0.88	1.57
Public Administration & Defense	-33.43	4.29	3.60	-37.01	-1.97	-3.35	1.11	-0.46	-0.93
Education	3.35	6.07	5.71	6.04	6.22	6.17	1.81	1.02	1.08
Health & Social Work	12.00	10.23	10.62	6.03	4.89	5.38	0.50	0.48	0.51
Other Community, Social & Personal Services	7.31	-0.38	4.58	-2.67	-5.10	-2.97	-0.36	13.49	-0.65
Private Household & Extra territorial Organisation	11.00	-20.14	7.22	25.42	-29.13	20.73	2.31	1.45	2.87
Total	4.08	8.18	5.99	2.88	2.94	2.89	0.71	0.36	0.48

5.8.2 The overall employment elasticity of informal sector was as high as 0.71 as compared to 0.36 in the formal sector and 0.48 for the entire economy. There were positive elasticities in the case of informal sector, Electricity, Gas & Water Supply; and Public Administration and Defence due to negative growth rates both in GVA and employment. There were also positive elasticities in the formal sector due to decline in both employment and GVA in the case of other community, social and personal services as well as private households with paid employees. Among different industries, informal sector agriculture had an employment elasticity of 1.50 as against 0.19 in the formal sector. In the case of

manufacturing industries the informal sector elasticity was 1.04 as against 0.58 in the formal sector. Real estate, renting and business services activities in the informal sector had an abnormally high employment elasticity of 3.09. Elasticity was also considerably high in the case of private households with paid employees which is entirely in the informal sector.

5.9 Limitations

5.9.1 The methodology described above for the estimation of the contribution of the Informal sector to GDP is only an apportioning method and as such it shares all the limitations and deficiencies of the methodologies

used for estimating the over all GDP contribution of each compilation category. Further, there are a number of compilation categories not covered by the enterprise surveys. As such, labour productivity differentials are not available for deriving the ratios for apportioning.

5.9.2 The labour force surveys and enterprise surveys of specific industry groups are conducted once in five years. In the intervening years, therefore, estimates of employment and value added per worker have to be extrapolated or the employment and productivity ratios of organised and unorganised sectors in the survey years have to be assumed for subsequent years till fresh survey results become available. In a fast changing transition economy, neither the employment ratios nor the productivity ratios remain constant. It is, therefore, a

serious limitation in the use of the methodology for the estimation of informal sector GDP.

The modified apportioning method can at best be considered only as an ad-hoc procedure for estimating the contribution of informal sector to the GDP of the country as and when the required data sets become available through surveys. It is, thus important to ensure that the estimation of informal sector GDP becomes an integral part of 'National Accounts Statistics' so that reliable estimates are available on an annual basis. The statistical system of the country, therefore, needs to be strengthened to generate the data sets required for overall improvement of the national accounts statistics in general and for obtaining direct estimates of informal sector GDP annually.

6

Statistical System and Informal Economy

6.1 The Background

6.1.1 The statistical system of the country did recognize the existence of informal sector as an important segment of Indian economy since the beginning of the plan era and surveys of the sector formed an integral part of socio-economic surveys both at the national and state levels. The term 'unorganised sector' and a number of its variants were, however, used in such surveys, primarily to denote the economic activities which were generally not covered under regular statistical reporting mechanisms or any administrative statistical system. It was thus used more in a sense that would reflect the characteristics of a class of establishments in a 'statistical sense'.

6.2 The Proposed Definitions and its Implications

6.2.1 The Commission recommends the following definition for informal sector:

"The informal sector consists of all unincorporated private enterprises owned by individuals or households engaged in the sale and production of goods and services operated on a proprietary or partnership basis and with less than ten total workers".

6.2.2 Though the above definition does not make any distinction between agricultural and non-agricultural enterprises, the concept of enterprise is so far being used in India only in the context of non-crop and non-plantation sectors. It is, therefore, recommended that each operational holding engaged in crop production and plantation activities be considered as an enterprise in the agricultural sector. In the case of other agricultural

activities like forestry, animal husbandry and fishing, the general definition of enterprise given in para 2.5.7 can be used. An operational holding is a techno-economic unit constituted of all land that is used wholly or partly for agricultural production and is operated by one person alone or with assistance of others, without regard to title, size or location. The holding may consist of one or more parcels of land, provided that they are located within the country and that they form part of the same techno-economic unit.

6.2.3 The Commission recommends the following definition of **informal employment** in line with the conceptual frame work adopted by the 17th International Conference of Labour Statisticians (ICLS) : **"Informal workers consist of those working in the informal sector or households, excluding regular workers with social security benefits provided by the employers and the workers in the formal sector without any employment and social security benefits provided by the employers"**.

6.2.4 The definitions proposed by the Commission are based on specific characteristics of enterprises or employment status rather than availability of statistical data. For example, the definition of informal sector is based on type of ownership, employment size and legal status of the enterprise. The definition of informal employment is based on employment status and availability of job and social security provided by the employer. These definitions are equivalent to international definitions of informal sector and informal employment.

6.2.5 The Commission recommends the use of 'informal sector' and 'informal employment' instead of 'unorganised' sector and employment. Unorganised in the Indian context has a historically acquired meaning. Statistical organisations have used it in a particular way in the absence of any commonly accepted definition. Individual researchers also use it in their own ways. In common parlance, it also rings better in terms of unionisation or its absence.

6.2.6 As per these definitions the informal sector accounts for a little over 86 per cent of the total employment in the economy and about 50 per cent of total GDP. The share of informal employment in the economy is over 92 per cent. The analysis in the earlier chapters indicates that the most serious national issues of unemployment and poverty can only be tackled by increasing the quantity and quality of employment in the informal sector as the sector is capable of absorbing less educated and socially underprivileged classes of workers. The employment elasticity of the sector is as high as 0.71 as compared to 0.36 in the case of formal sector during the period 1999-2000 to 2004-05. It is also seen that the percentage of women, illiterates as well as Scheduled Caste and Scheduled Tribe workers in the informal sector are considerably higher than their percentages in the total employment. It implies that informal sector has to play a crucial role in the improvement of living conditions of socially and economically under privileged sections of the society. Lack of reliable statistics on the size, distribution and economic contribution of the sector, however, has been a major constraint in providing a realistic understanding of the significance of the sector in the Indian economy, leading to its neglect in development planning. It is, therefore, important that the statistical system of the country is reoriented to measure the economic and social significance of informal sector in the national economy as well as in the development process of various States/ Union Territories.

6.3 Strengthening of Informal Sector Statistics

6.3.1 The deficiencies in statistics relating to different aspects of informal sector and informal employment do affect the estimation of various macro-economic variables like GDP, price variations and employment leading to lop sided development policies. Systematic efforts are therefore required for improving and strengthening the statistical system of the country. In particular, steps need to be taken for obtaining complete and coherent sets of estimates directly for both informal and formal sectors.

(a) Harmonizing Definitions

6.3.2 The first and foremost step in improving statistics of informal sector is to harmonise the multiplicity of definitions currently in use and adopt a definition based on the characteristics of the sector rather than availability of statistics. The definitions of 'informal sector' and 'informal employment' evolved by the Commission thus need to be employed in all the statistical operations for the estimation of employment and other socio-economic characteristics.

(b) Formal Non-Agricultural sector

6.3.3 The availability of a comprehensive and updated Business register is essential for conducting annual surveys of manufacturing and non-manufacturing industries as well as for tracking industrial climate and making business forecasts. The creation and maintenance of a business register covering 'bigger' establishments in all sectors of the economy so as to provide the necessary list frames for conducting annual surveys therefore needs to be expedited as recommended by the Rangarajan Commission (Paras 14.2.26 to 14.2.28 of Report of National Statistical Commission, 2001).

6.3.4 Introduce annual surveys of non-manufacturing enterprises in line with the Annual Survey of Industries so that the contribution of the services sector to GDP can be estimated more reliably and on an annual basis.

6.3.5 Since employment is an important macro-economic variable, data on number of persons employed at the beginning and end of the survey year along with details of additions and attritions need to be collected in the annual surveys of both the manufacturing and non-manufacturing industries apart from collecting details of man-days worked. In the absence of such data, no realistic employment strategies can be formulated.

6.3.6 The present system of approximating formal sector employment using the estimates provided by the Directorate General of Employment and Training (DGET) needs to be discontinued. In its place, the quinquennial and annual employment- unemployment surveys of NSSO be used for the estimation of employment in formal and informal sectors.

6.3.7 The agencies like the Directorate of Economics & Statistics in the Ministry of Agriculture, Indian Bureau of Mines, Central Electricity Authority, which provide data sets to CSO for the preparation of National Accounts Statistics be mandated by the Central Government to provide such data sets separately for informal and formal sector establishments.

(c) Informal Non Agricultural sector

6.3.8 Enterprise surveys covering all sectors of the economy including agriculture, mining; electricity, gas and water supply; trade; transport; hotels; restaurants; construction; education; health; financial services and other community and social services have to be conducted on a regular basis. Detailed surveys with completely fresh samples have to be conducted once in five years. However, such surveys have to be conducted as two parallel surveys with separate first stage samples for (i) the secondary sector comprising of mining, construction, electricity, gas and water supply and manufacturing, and (ii) Tertiary sector comprising of trade, transport, education, health, financial intermediation and other community & social services. The first stage units selected for such detailed surveys have to be retained as panels for collecting data on a few selected indicators like enterprise mortality, employment, addition of fixed capital and output on an annual basis till the next detailed surveys are undertaken. The results of these indicator surveys can be used for bringing forward base year estimates.

6.3.9 A major limitation of enterprise surveys in unorganised sector has been the under-estimation of economic variables like income and value added. It is primarily due to difficulties in the separation of household and enterprise expenditures and non-maintenance of accounts by most of the enterprises in the unorganised sector. It is however important that reliability of such estimates is improved for obtaining direct estimates of contribution of informal sector to GDP. Integration of household income and expenditure surveys with enterprise surveys is considered to be a feasible method for enhancing the reliability of estimates of both the household expenditures and income from entrepreneurial activities. It is, therefore, recommended that methodological surveys for improving the survey methods be pursued on a continuing basis so that the reliability of income and value added estimates from enterprise surveys can be enhanced.

(d) Quinquennial Employment-Unemployment Surveys

6.3.10 The quinquennial Employment-Unemployment surveys being undertaken by the National Sample Survey Organisation (NSSO) and the population census provide estimates of labour force, participation rates and unemployment rates by using different measurement methods. These surveys, however, do not capture several dimensions of quality of employment. In the absence of

any data on such crucial parameters like job security, average earnings, hours of work, time related under-employment, social protection, recent job training, etc, both for self-employment and wage workers, no realistic employment strategies can be evolved. It needs to be recognised that statistics of quality and quantity of employment are as important as statistics of production and value added in development planning. It is well recognised that collection of reliable data on income from self employment is a difficult task. The intention, however, is to judge the quality of employment in terms of approximate average earnings from the activity and to assess the extent to which self-employment is being pursued as a means of subsistence. It is, therefore, adequate if the average earnings from the self employment activity during the reference year as reported by the informant is collected. The quinquennial employment-unemployment surveys therefore need to be strengthened and data on job security, average earnings, periods of unemployment, hours of work, etc are sought both from self-employed (including unpaid family workers) and wage workers.

6.3.11 Cross validation of estimates available from different sources is an important statistical exercise to understand the causes of variation and improving the survey estimates. The estimates of average earnings of self-employed and wage workers obtained from employment-unemployment surveys will provide a basis for cross validation of estimates available from enterprise surveys. It is, therefore, recommended that employment-unemployment surveys be suitably modified as mentioned above and cross validation exercise be undertaken as and when such surveys become available.

(e) Annual Employment-Unemployment Surveys

6.3.12 The annual employment-unemployment surveys presently being conducted by the NSSO are useful in monitoring employment trends and estimating employment generation in different sectors of the economy. The survey schedule, however, needs to be modified to include classificatory variables like type of enterprise and its employment size; availability of paid annual leave and social security benefits so that various parameters relating to quality of employment along with

formal and informal sector break up can be assessed. There is, therefore, a strong case not only for continuing these annual surveys but also to strengthen them to estimate the employment generation in formal and informal sectors.

6.3.13 As per the present system of compilation of national accounts, it is difficult to have exact matching between labour inputs and value added estimates at the level of compilation categories classified according to formal and informal sectors due to variations in sources of data. It is, therefore recommended that sources of data should be taken from employment unemployment surveys conducted by the NSSO suitably adjusted for census population totals.

(f) Agricultural Enterprise Survey

6.3.14 It is recommended that operational holdings be treated as enterprises in agriculture and details like type of enterprise, employment size, etc. be collected in employment-unemployment and enterprise surveys.

6.3.15 The agriculture and livestock census being conducted periodically be synchronized and follow up agricultural enterprise surveys be conducted in the case of agriculture. (See appendix-XI for justification).

(g) National Accounts Statistics

6.3.16 The estimation of the contribution of informal sector to GDP has to become an integral part of National Accounts Statistics (NAS) so that reliable estimates are available on an annual basis. The statistical system of the country, therefore, needs to be strengthened as indicated above, so as to generate the data sets required for over all improvement of the national accounts statistics in general and for obtaining direct estimates of informal sector GDP annually. In the mean time, the modified apportioning method may be used as an ad-hoc procedure for estimating the contribution of informal sector to the GDP of the country.

6.4 Concluding Remarks

India has built up, over the years, an elaborate and competent statistical system both in terms of institutions as well as professional manpower. However, given the complex nature of the economy especially with reference to the co-existence of different systems of organisation of production, it is important that we further fine tune and strengthen the statistical system to meet the challenges of growth and development in the 21st century as recommended in this Report.

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Abbreviations & Acronyms

ASE	Annual Survey of Enterprises
ASI	Annual Survey of Industries
ASNMI	Annual Survey of Non-Manufacturing Industries
CPI-AL	Consumer Price Index for Agricultural Labour
CPI-IW	Consumer Price Index for Industrial Worker
CSO	Central Statistical Organisation
DEs	Directory Establishments
DGET	Directorate General of Employment and Training
EMI	Employment Marketing Information
EWS	Economy-Wide Survey
FTSSI	Federation of Tiny & Small Scale Industries
GCES	General Crop Estimation Survey
GDP	Gross Domestic Product
GVA	Gross Value Added
ICLS	Fifteenth International Conference of Labour Statisticians
IIP	Index of Industrial Production
ILO	International Labour Organisation
ISP	Index of Service Production
KVIC	Khadi & Village Industries Commission
MPCE	Monthly Per Capita Expenditure
MSMED	Micro, Small and Medium Enterprises Development
NAS	National Account Statistics
NAS	National Account Statistics
NASSCOM	National Association of Software and Services Companies
NCEUS	National Commission for Enterprises in the Unorganised Sector
NCO	National Classification of Occupation
NDEs	Non-Directory Establishments
NDP	Net Domestic Product
NIC	National Industrial Classification
NSC	National Statistical Commission
NSSO	National Sample Survey Organisation
OAEs	Own Account Enterprises
OBC	Other Backward Caste
OECD	Organisation for Economic Co-operation and Development
SC	Scheduled Caste
SIDO	Small Industries Development Organisation
SNA	System of National Accounts
SSIs	Small Scale Industries
SSSBEs	Small Scale Service & Business Enterprises
ST	Scheduled Tribe
TRS	Timely Reporting Scheme
UN	United Nations
UNDP	United Nations Development Programme
UNSC	United Nations Statistical Commission
VAPW	Value Added Per Worker

Annexure

Annex – 2.1

Distribution of Informal Sector Enterprises by State, 1999-2000

State code	State	Number of Enterprises			Percentage to Total			Rank
		Rural	Urban	Combined	Rural	Urban	Combined	
2	Andhra Pradesh	2140735	1633423	3774159	4.85	3.70	8.56	4
3	Arunachal Pradesh	6231	3789	10021	0.01	0.01	0.02	28
4	Assam	664119	190429	854548	1.51	0.43	1.94	15
5	Bihar	2375529	884024	3259553	5.39	2.00	7.39	6
6	Goa	24296	44462	68758	0.06	0.10	0.16	21
7	Gujarat	765291	1299664	2064955	1.73	2.95	4.68	9
8	Haryana	372311	469717	842028	0.84	1.06	1.91	16
9	Himachal Pradesh	192413	38926	231339	0.44	0.09	0.52	18
10	Jammu & Kashmir	212519	107764	320283	0.48	0.24	0.73	17
11	Karnataka	1130430	1092982	2223412	2.56	2.48	5.04	8
12	Kerala	1003024	574772	1577796	2.27	1.30	3.58	12
13	Madhya Pradesh	1284868	1048809	2333677	2.91	2.38	5.29	7
14	Maharashtra	1483416	2349388	3832804	3.36	5.33	8.69	3
15	Manipur	50756	33852	84608	0.12	0.08	0.19	20
16	Meghalaya	36949	12828	49777	0.08	0.03	0.11	23
17	Mizoram	6100	11627	17726	0.01	0.03	0.04	25
18	Nagaland	8686	8335	17021	0.02	0.02	0.04	26
19	Orissa	1476529	369244	1845773	3.35	0.84	4.18	10
20	Punjab	494258	738178	1232436	1.12	1.67	2.79	13
21	Rajasthan	1074944	767054	1841999	2.44	1.74	4.18	11
22	Sikkim	10282	3508	13790	0.02	0.01	0.03	27
23	Tamil Nadu	1626506	1826401	3452907	3.69	4.14	7.83	5
24	Tripura	76655	39188	115843	0.17	0.09	0.26	19
25	Uttar Pradesh	4900297	3081164	7981461	11.11	6.99	18.09	1
26	West Bengal	3413111	1628115	5041227	7.74	3.69	11.43	2
27	A & N Islands	4315	2161	6476	0.01	0.00	0.01	30
28	Chandigarh	12801	49411	62212	0.03	0.11	0.14	22
29	Dadra & Nagar Haveli	2937	1215	4152	0.01	0.00	0.01	31
30	Daman & Diu	2685	4064	6749	0.01	0.01	0.02	29
31	Delhi	113139	786379	899518	0.26	1.78	2.04	14
32	Lakshdweep	333	851	1184	0.00	0.00	0.00	32
33	Pondicherry	13357	28820	42178	0.03	0.07	0.10	24
	Total	24979824	19130544	44110368	56.63	43.37	100.00	

Source: Computed from NSSO 55th Round Survey on Informal Non-agricultural Enterprises, 1999-2000

*Annex – 2.2***Distribution of Informal Sector Enterprises by Industry, 1999-2000**

NIC Code	Number of Enterprises			Percentage to Total			Rank
	Rural	Urban	Combined	Rural	Urban	Combined	
52	7986591	7451527	15438118	18.11	16.89	35.00	1
60	1932977	1608843	3541819	4.38	3.65	8.03	2
18	1357089	1049066	2406154	3.08	2.38	5.45	3
93	1573077	793744	2366821	3.57	1.80	5.37	4
20	1979780	350334	2330115	4.49	0.79	5.28	5
15	1634155	566662	2200816	3.70	1.28	4.99	6
16	1670643	398840	2069483	3.79	0.90	4.69	7
45	1173899	663238	1837136	2.66	1.50	4.16	8
17	1217876	618768	1836644	2.76	1.40	4.16	9
55	844758	903890	1748647	1.92	2.05	3.96	10
51	489634	889793	1379427	1.11	2.02	3.13	11
36	476664	517042	993706	1.08	1.17	2.25	12
85	454747	326289	781036	1.03	0.74	1.77	13
26	511858	105334	617192	1.16	0.24	1.40	14
80	220864	322702	543565	0.50	0.73	1.23	15
50	99063	422332	521395	0.22	0.96	1.18	16
28	266205	245720	511925	0.60	0.56	1.16	17
74	79958	363812	443770	0.18	0.82	1.01	18
64	60232	263425	323657	0.14	0.60	0.73	19
71	106469	137929	244398	0.24	0.31	0.55	20
24	121576	121160	242737	0.28	0.27	0.55	21
91	156819	79026	235845	0.36	0.18	0.53	22
92	122394	105363	227757	0.28	0.24	0.52	23
22	22556	163256	185812	0.05	0.37	0.42	24
19	82614	90511	173125	0.19	0.21	0.39	25
29	88468	81433	169901	0.20	0.18	0.39	26
25	24724	63394	88118	0.06	0.14	0.20	27
27	30320	56453	86773	0.07	0.13	0.20	28
65	17948	65701	83649	0.04	0.15	0.19	29
31	27990	33589	61579	0.06	0.08	0.14	30
90	48746	11585	60331	0.11	0.03	0.14	31
70	12364	43144	55509	0.03	0.10	0.13	32
21	5523	46739	52262	0.01	0.11	0.12	33
63	3188	42752	45940	0.01	0.10	0.10	34
37	25233	13950	39183	0.06	0.03	0.09	35
66	12719	25522	38241	0.03	0.06	0.09	36
67	11056	26207	37263	0.03	0.06	0.08	37
72	845	19635	20480	0.00	0.04	0.05	38
61	13725	1631	15356	0.03	0.00	0.03	39
32	1008	10874	11881	0.00	0.02	0.03	40
34	820	10669	11489	0.00	0.02	0.03	41
35	1876	9592	11469	0.00	0.02	0.03	42
23	9738	1067	10805	0.02	0.00	0.02	43
33	794	6857	7651	0.00	0.02	0.02	44
30		899	899	0.00	0.00	0.00	45
62	239	43	282	0.00	0.00	0.00	46
73		205	205	0.00	0.00	0.00	47
Total	24979824	19130544	44110368	56.63	43.37	100.00	

Source: ibid

Annex – 2.3**Distribution of Informal Sector Enterprises by Industry in Andhra Pradesh, 1999-2000**

NIC code	Number of Enterprises			Percentage to Total			Rank
	Rural	Urban	Combined	Rural	Urban	Combined	
52	602467	586519	1188986	15.96	15.54	31.50	1
93	329844	97606	427450	8.74	2.59	11.33	2
60	143653	181614	325267	3.81	4.81	8.62	3
20	259179	45738	304917	6.87	1.21	8.08	4
18	197632	92692	290324	5.24	2.46	7.69	5
17	142215	48794	191009	3.77	1.29	5.06	6
55	96235	75390	171625	2.55	2.00	4.55	7
15	71962	49827	121789	1.91	1.32	3.23	8
51	25122	86585	111708	0.67	2.29	2.96	9
36	36382	46361	82743	0.96	1.23	2.19	10
85	29346	29905	59251	0.78	0.79	1.57	11
16	29785	25381	55166	0.79	0.67	1.46	12
26	41926	10922	52847	1.11	0.29	1.40	13
45	17023	35779	52801	0.45	0.95	1.40	14
64	8379	37290	45669	0.22	0.99	1.21	15
50	3580	38619	42199	0.09	1.02	1.12	16
80	17985	21554	39540	0.48	0.57	1.05	17
74	5451	23884	29335	0.14	0.63	0.78	18
92	15335	10889	26225	0.41	0.29	0.69	19
28	16933	8919	25852	0.45	0.24	0.68	20
71	8897	13993	22890	0.24	0.37	0.61	21
91	9105	6338	15443	0.24	0.17	0.41	22
19	8316	3872	12189	0.22	0.10	0.32	23
29	5689	5187	10875	0.15	0.14	0.29	24
22	221	9957	10178	0.01	0.26	0.27	25
65	973	7362	8335	0.03	0.20	0.22	26
67	4925	1948	6873	0.13	0.05	0.18	27
63	206	5325	5531	0.01	0.14	0.15	28
24	822	4384	5206	0.02	0.12	0.14	29
70	632	4274	4905	0.02	0.11	0.13	30
66	1721	3152	4873	0.05	0.08	0.13	31
27	1892	2611	4503	0.05	0.07	0.12	32
37	3713	571	4284	0.10	0.02	0.11	33
25	636	3503	4140	0.02	0.09	0.11	34
31	963	2251	3214	0.03	0.06	0.09	35
72	533	2082	2616	0.01	0.06	0.07	36
21	262	1629	1891	0.01	0.04	0.05	37
61	369	104	473	0.01	0.00	0.01	38
90	215	197	412	0.01	0.01	0.01	39
34		354	354	0.00	0.01	0.01	40
32	124		124	0.00	0.00	0.00	41
23	89		89	0.00	0.00	0.00	42
35		58	58	0.00	0.00	0.00	43
Total	2140735	1633423	3774159	56.72	43.28	100.00	

Source: ibid

Annex – 2.4**Distribution of Informal Sector Enterprises by Industry in Bihar, 1999-2000**

NIC code	Number of Enterprises			Percentage to Total			Rank
	Rural	Urban	Combined	Rural	Urban	Combined	
52	804882	420975	1225856	24.69	12.92	37.61	1
60	210217	68225	278442	6.45	2.09	8.54	2
93	220645	46778	267423	6.77	1.44	8.20	3
15	210134	33079	243213	6.45	1.01	7.46	4
20	209881	19529	229410	6.44	0.60	7.04	5
16	134230	18906	153137	4.12	0.58	4.70	6
45	100121	27173	127293	3.07	0.83	3.91	7
55	66844	47239	114083	2.05	1.45	3.50	8
26	82668	5178	87846	2.54	0.16	2.70	9
85	56882	21364	78246	1.75	0.66	2.40	10
18	52580	25181	77761	1.61	0.77	2.39	11
80	41784	30161	71945	1.28	0.93	2.21	12
36	37902	7946	45848	1.16	0.24	1.41	13
51	20849	15722	36571	0.64	0.48	1.12	14
28	26939	5341	32280	0.83	0.16	0.99	15
91	20668	9436	30104	0.63	0.29	0.92	16
50	2412	26300	28713	0.07	0.81	0.88	17
17	18288	7054	25342	0.56	0.22	0.78	18
74	4849	19328	24178	0.15	0.59	0.74	19
29	14252	969	15221	0.44	0.03	0.47	20
71	7723	2477	10200	0.24	0.08	0.31	21
64	1849	7090	8939	0.06	0.22	0.27	22
92	5461	2185	7646	0.17	0.07	0.23	23
19	5323	1697	7021	0.16	0.05	0.22	24
27	6351	636	6987	0.19	0.02	0.21	25
24	4440	2376	6816	0.14	0.07	0.21	26
22	330	4288	4618	0.01	0.13	0.14	27
37	3156	160	3316	0.10	0.00	0.10	28
21	151	2362	2513	0.00	0.07	0.08	29
90		1205	1205	0.00	0.04	0.04	30
61	1123		1123	0.03	0.00	0.03	31
66	462	558	1020	0.01	0.02	0.03	32
63	220	624	844	0.01	0.02	0.03	33
65	362	408	770	0.01	0.01	0.02	34
34		760	760	0.00	0.02	0.02	35
67	438	223	661	0.01	0.01	0.02	36
70	220	418	638	0.01	0.01	0.02	37
31	392	216	609	0.01	0.01	0.02	38
25	450	136	586	0.01	0.00	0.02	39
23		195	195	0.00	0.01	0.01	40
32	51	64	115	0.00	0.00	0.00	41
33		61	61	0.00	0.00	0.00	42
Total	2375529	884024	3259553	72.88	27.12	100.00	

Source: ibid

Annex – 2.5**Distribution of Informal Sector Enterprises by Industry in Maharashtra, 1999-2000**

NIC code	Number of Enterprises			Percentage to Total			Rank
	Rural	Urban	Combined	Rural	Urban	Combined	
52	556001	904524	1460526	14.51	23.60	38.11	1
60	112695	261003	373698	2.94	6.81	9.75	2
18	162167	157008	319176	4.23	4.10	8.33	3
15	122224	75201	197425	3.19	1.96	5.15	4
93	75875	91041	166916	1.98	2.38	4.35	5
55	58935	101773	160708	1.54	2.66	4.19	6
20	130300	30061	160361	3.40	0.78	4.18	7
51	12617	120263	132880	0.33	3.14	3.47	8
36	24575	87777	112352	0.64	2.29	2.93	9
85	35845	49979	85823	0.94	1.30	2.24	10
45	29773	48254	78027	0.78	1.26	2.04	11
74	10914	60539	71453	0.28	1.58	1.86	12
28	17375	47321	64697	0.45	1.23	1.69	13
50	8550	51287	59837	0.22	1.34	1.56	14
17	7695	45828	53523	0.20	1.20	1.40	15
80	3851	45043	48894	0.10	1.18	1.28	16
16	19552	19596	39148	0.51	0.51	1.02	17
64	4743	29230	33972	0.12	0.76	0.89	18
71	12035	14146	26181	0.31	0.37	0.68	19
26	20035	5324	25359	0.52	0.14	0.66	20
29	10727	11638	22365	0.28	0.30	0.58	21
92	8723	10528	19251	0.23	0.27	0.50	22
22	1808	17077	18884	0.05	0.45	0.49	23
19	8599	8196	16795	0.22	0.21	0.44	24
91	10534	4362	14896	0.27	0.11	0.39	25
25	1001	9587	10588	0.03	0.25	0.28	26
24	5308	1652	6960	0.14	0.04	0.18	27
31	510	6216	6726	0.01	0.16	0.18	28
65	2271	3206	5478	0.06	0.08	0.14	29
21		5196	5196	0.00	0.14	0.14	30
27	4019	625	4644	0.10	0.02	0.12	31
67	232	4306	4538	0.01	0.11	0.12	32
72		4378	4378	0.00	0.11	0.11	33
37	2611	1446	4057	0.07	0.04	0.11	34
66	144	3320	3464	0.00	0.09	0.09	35
70		3447	3447	0.00	0.09	0.09	36
63	47	3293	3340	0.00	0.09	0.09	37
33	63	2201	2265	0.00	0.06	0.06	38
32	267	1289	1556	0.01	0.03	0.04	39
34		1186	1186	0.00	0.03	0.03	40
35	685	432	1118	0.02	0.01	0.03	41
30		608	608	0.00	0.02	0.02	42
61	109		109	0.00	0.00	0.00	43
Total	1483416	2349388	3832804	38.70	61.30	100.00	

Source: ibid

Annex – 2.6**Distribution of Informal Sector Enterprises by Industry in Tamil Nadu, 1999-2000**

NIC code	Number of Enterprises			Percentage to Total			Rank
	Rural	Urban	Combined	Rural	Urban	Combined	
52	396108	561829	957937	11.47	16.27	27.74	1
16	240868	54649	295517	6.98	1.58	8.56	2
17	142493	138360	280854	4.13	4.01	8.13	3
93	108874	93941	202816	3.15	2.72	5.87	4
18	99668	97738	197406	2.89	2.83	5.72	5
55	86614	93372	179987	2.51	2.70	5.21	6
60	53823	109596	163419	1.56	3.17	4.73	7
20	108530	41155	149685	3.14	1.19	4.34	8
24	96619	40096	136715	2.80	1.16	3.96	9
15	63311	67765	131075	1.83	1.96	3.80	10
45	41140	68067	109208	1.19	1.97	3.16	11
51	24349	73671	98020	0.71	2.13	2.84	12
36	27694	64902	92596	0.80	1.88	2.68	13
50	15257	37121	52378	0.44	1.08	1.52	14
74	4207	37867	42075	0.12	1.10	1.22	15
92	17677	17014	34691	0.51	0.49	1.00	16
28	11248	22189	33437	0.33	0.64	0.97	17
85	10076	21453	31529	0.29	0.62	0.91	18
80	8614	19972	28587	0.25	0.58	0.83	19
65	6529	21272	27801	0.19	0.62	0.81	20
71	13457	12198	25655	0.39	0.35	0.74	21
64	4713	19480	24192	0.14	0.56	0.70	22
26	15837	5577	21414	0.46	0.16	0.62	23
22	4330	16526	20855	0.13	0.48	0.60	24
25	5023	11568	16591	0.15	0.34	0.48	25
91	4866	9382	14249	0.14	0.27	0.41	26
70	1210	12234	13445	0.04	0.35	0.39	27
63	822	10744	11566	0.02	0.31	0.33	28
27	627	9473	10100	0.02	0.27	0.29	29
29	4018	3550	7568	0.12	0.10	0.22	30
67	1186	6361	7547	0.03	0.18	0.22	31
19	178	7090	7267	0.01	0.21	0.21	32
21	188	6425	6614	0.01	0.19	0.19	33
37	1485	3416	4900	0.04	0.10	0.14	34
66	2466	1943	4409	0.07	0.06	0.13	35
72	12	4283	4295	0.00	0.12	0.12	36
35	672	1042	1714	0.02	0.03	0.05	37
23	1596		1596	0.05	0.00	0.05	38
31	121	1239	1360	0.00	0.04	0.04	39
33		738	738	0.00	0.02	0.02	40
34		672	672	0.00	0.02	0.02	41
61		184	184	0.00	0.01	0.01	42
90		175	175	0.00	0.01	0.01	43
30		69	69	0.00	0.00	0.00	44
Total	1626506	1826401	3452907	47.11	52.89	100.00	

Source: ibid

Annex – 2.7**Distribution of Informal Sector Enterprises by Industry in Uttar Pradesh, 1999-2000**

NIC code	Number of Enterprises			Percentage to Total			Rank
	Rural	Urban	Combined	Rural	Urban	Combined	
52	1675046	1291218	2966265	20.99	16.18	37.16	1
60	439223	277362	716586	5.50	3.48	8.98	2
45	387614	154531	542145	4.86	1.94	6.79	3
17	333337	154158	487494	4.18	1.93	6.11	4
93	354436	121644	476080	4.44	1.52	5.96	5
15	360934	91271	452205	4.52	1.14	5.67	6
18	213040	129050	342091	2.67	1.62	4.29	7
20	250317	56034	306351	3.14	0.70	3.84	8
55	122020	124242	246263	1.53	1.56	3.09	9
51	102719	136051	238770	1.29	1.70	2.99	10
85	145065	53282	198346	1.82	0.67	2.49	11
26	124588	24285	148872	1.56	0.30	1.87	12
16	70645	46124	116769	0.89	0.58	1.46	13
36	43995	44853	88848	0.55	0.56	1.11	14
80	27584	55059	82643	0.35	0.69	1.04	15
28	46470	31786	78256	0.58	0.40	0.98	16
74	17693	53080	70774	0.22	0.67	0.89	17
50	13642	52300	65942	0.17	0.66	0.83	18
90	45807	4292	50099	0.57	0.05	0.63	19
71	12700	32396	45096	0.16	0.41	0.57	20
91	29870	10185	40055	0.37	0.13	0.50	21
92	26363	11253	37616	0.33	0.14	0.47	22
64	7148	25517	32665	0.09	0.32	0.41	23
19	7800	23159	30960	0.10	0.29	0.39	24
29	16650	6462	23112	0.21	0.08	0.29	25
27	3559	19019	22578	0.04	0.24	0.28	26
22	3239	13140	16378	0.04	0.16	0.21	27
31	5275	2495	7771	0.07	0.03	0.10	28
37	4627	2655	7282	0.06	0.03	0.09	29
21	118	6980	7099	0.00	0.09	0.09	30
24	1345	4782	6127	0.02	0.06	0.08	31
32	194	5532	5726	0.00	0.07	0.07	32
66	1476	3111	4586	0.02	0.04	0.06	33
65	796	2499	3294	0.01	0.03	0.04	34
61	2335	783	3118	0.03	0.01	0.04	35
70	182	2829	3011	0.00	0.04	0.04	36
25	1299	1670	2969	0.02	0.02	0.04	37
67	444	2436	2879	0.01	0.03	0.04	38
63	285	1200	1484	0.00	0.02	0.02	39
72		1230	1230	0.00	0.02	0.02	40
35		814	814	0.00	0.01	0.01	41
34		395	395	0.00	0.00	0.00	42
23	372		372	0.00	0.00	0.00	43
62	46		46	0.00	0.00	0.00	44
Total	4900297	3081164	7981461	61.40	38.60	100.00	

Source: ibid

Annex – 2.8**Distribution of Informal Sector Enterprises by Industry in West Bengal, 1999-2000**

NIC code	Number of Enterprises			Percentage to Total			Rank
	Rural	Urban	Combined	Rural	Urban	Combined	
52	834710	649813	1484523	16.56	12.89	29.45	1
16	756797	57753	814550	15.01	1.15	16.16	2
60	378937	185547	564483	7.52	3.68	11.20	3
15	270780	48381	319161	5.37	0.96	6.33	4
17	219863	66724	286588	4.36	1.32	5.68	5
20	222971	21536	244507	4.42	0.43	4.85	6
51	149440	69611	219051	2.96	1.38	4.35	7
18	84373	72954	157327	1.67	1.45	3.12	8
55	72738	79426	152164	1.44	1.58	3.02	9
45	107269	42022	149291	2.13	0.83	2.96	10
93	63894	53634	117528	1.27	1.06	2.33	11
80	43190	45792	88983	0.86	0.91	1.77	12
85	48030	30152	78182	0.95	0.60	1.55	13
36	35408	41750	77158	0.70	0.83	1.53	14
28	19327	18726	38053	0.38	0.37	0.75	15
26	24230	3137	27367	0.48	0.06	0.54	16
74	3285	22071	25356	0.07	0.44	0.50	17
71	13143	10013	23157	0.26	0.20	0.46	18
91	17888	4440	22328	0.35	0.09	0.44	19
29	4620	13554	18174	0.09	0.27	0.36	20
50	5865	11852	17716	0.12	0.24	0.35	21
64	1494	13208	14702	0.03	0.26	0.29	22
19	359	12379	12738	0.01	0.25	0.25	23
22	1750	9878	11628	0.03	0.20	0.23	24
25	2262	7660	9923	0.04	0.15	0.20	25
92	6709	2682	9391	0.13	0.05	0.19	26
66	4465	4861	9326	0.09	0.10	0.18	27
21	3975	5288	9263	0.08	0.10	0.18	28
37	4447	1411	5858	0.09	0.03	0.12	29
31	416	4814	5229	0.01	0.10	0.10	30
70	2369	1806	4175	0.05	0.04	0.08	31
27	2128	2011	4140	0.04	0.04	0.08	32
24	790	3109	3899	0.02	0.06	0.08	33
63	111	2768	2879	0.00	0.05	0.06	34
61	2594		2594	0.05	0.00	0.05	35
67	607	1572	2179	0.01	0.03	0.04	36
33	570	1354	1925	0.01	0.03	0.04	37
35		1785	1785	0.00	0.04	0.04	38
72		1253	1253	0.00	0.02	0.02	39
23	486	510	996	0.01	0.01	0.02	40
65	460	316	776	0.01	0.01	0.02	41
34	78	560	638	0.00	0.01	0.01	42
90	284		284	0.01	0.00	0.01	43
Total	3413111	1628115	5041227	67.70	32.30	100.00	

Source: ibid

Annex – 3.1**1: Estimates of Informal Sector Workers by Industry Groups, 2004-05 (in 000)**

Industry Group	Rural			Urban			Rural + Urban		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
Agriculture	142130	101438	243568	5098	4166	9264	147229	105604	252832
Mining	599	176	775	103	12	115	702	188	890
Manufacturing	12824	8735	21559	12682	5469	18151	25506	14204	39710
Electricity, Gas & Water	53	2	54	31	0	32	84	2	86
Construction	11635	1133	12768	6327	570	6897	17962	1703	19665
Trade	15734	2470	18204	21027	2199	23225	36760	4669	41429
Hotels & Restaurants	1733	534	2267	2468	555	3023	4201	1089	5290
Transport & Storage	6925	131	7056	6822	147	6969	13747	278	14025
Banking, Finance & Insurance	197	33	230	501	65	566	698	97	796
Real estate, Renting & Business Services	729	40	768	2327	198	2525	3056	237	3293
Public Administration & Defense	62	4	67	11	2	13	73	7	80
Education	839	538	1377	809	887	1696	1648	1424	3072
Health & Social Work	596	160	757	633	249	882	1230	409	1639
Other Community, Social & Personal Services	3267	980	4247	2325	825	3150	5592	1805	7397
Private Household & Extra territorial Organisation	547	837	1384	779	2535	3313	1326	3371	4697
Total	197870	117209	315079	61942	17877	79820	259813	135086	394899

Source: Computed from NSSO 61th Round Survey on Employment Un-employment, 2004-05

2: Percentage Share of Informal Sector Workers to Total Workers, 2004-05 (Per cent)

Industry Group	Rural			Urban			Rural + Urban		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
Agriculture	97.58	98.14	97.81	91.74	95.84	93.54	97.36	98.04	97.65
Mining	42.69	48.63	43.91	12.46	25.55	13.16	31.50	46.01	33.74
Manufacturing	73.90	84.29	77.78	59.60	80.68	64.69	66.02	82.86	71.20
Electricity, Gas & Water	10.12	11.20	10.15	4.35	0.49	4.12	6.77	2.90	6.59
Construction	77.69	62.81	76.09	75.91	63.19	74.66	77.05	62.94	75.58
Trade	96.96	98.08	97.11	94.39	94.01	94.35	95.47	96.12	95.54
Hotels & Restaurants	91.90	92.56	92.05	81.03	93.77	83.10	85.19	93.17	86.72
Transport & Storage	83.29	67.14	82.92	70.79	45.24	69.95	76.58	53.45	75.93
Banking, Finance & Insurance	29.03	48.45	30.78	25.30	17.57	24.09	26.25	22.33	25.70
Real estate, Renting & Business Services	84.83	73.98	84.19	69.85	48.09	67.46	72.92	51.06	70.74
Public Administration & Defense	2.44	1.45	2.33	0.20	0.31	0.22	0.94	0.64	0.90
Education	24.04	26.27	24.87	25.94	31.93	28.76	24.94	29.53	26.88
Health & Social Work	59.22	31.28	49.80	47.87	28.70	40.28	52.78	29.66	44.18
Other Community, Social & Personal Services	92.13	97.56	93.33	79.36	91.00	82.11	86.36	94.45	88.20
Private Household & Extra territorial Organisation	96.38	98.82	97.84	97.96	99.44	99.08	97.30	99.28	98.72
Total	90.33	94.50	91.84	68.52	74.50	69.78	83.96	91.26	86.32

Source: *ibid*

3: Percentage Distribution of Informal Sector Workers by Industry, 2004-05 (Per cent)

Industry Group	Rural			Urban			Rural + Urban		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
Agriculture	71.83	86.54	77.30	8.23	23.30	11.61	56.67	78.17	64.02
Mining	0.30	0.15	0.25	0.17	0.07	0.14	0.27	0.14	0.23
Manufacturing	6.48	7.45	6.84	20.47	30.59	22.74	9.82	10.51	10.06
Electricity, Gas & Water	0.03	0.00	0.02	0.05	0.00	0.04	0.03	0.00	0.02
Construction	5.88	0.97	4.05	10.21	3.19	8.64	6.91	1.26	4.98
Trade	7.95	2.11	5.78	33.95	12.30	29.10	14.15	3.46	10.49
Hotels & Restaurants	0.88	0.46	0.72	3.98	3.10	3.79	1.62	0.81	1.34
Transport & Storage	3.50	0.11	2.24	11.01	0.82	8.73	5.29	0.21	3.55
Banking, Finance & Insurance	0.10	0.03	0.07	0.81	0.36	0.71	0.27	0.07	0.20
Real estate, Renting & Business Services	0.37	0.03	0.24	3.76	1.11	3.16	1.18	0.18	0.83
Public Administration & Defense	0.03	0.00	0.02	0.02	0.01	0.02	0.03	0.00	0.02
Education	0.42	0.46	0.44	1.31	4.96	2.12	0.63	1.05	0.78
Health & Social Work	0.30	0.14	0.24	1.02	1.39	1.11	0.47	0.30	0.42
Other Community, Social & Personal Services	1.65	0.84	1.35	3.75	4.61	3.95	2.15	1.34	1.87
Private Household & Extra territorial Organisation	0.28	0.71	0.44	1.26	14.18	4.15	0.51	2.50	1.19
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: ibid

4: Percentage Distribution of Informal Sector Workers by Sector and Sex, 2004-05 (Per cent)

Industry Group	Rural			Urban			Rural + Urban		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
Agriculture	56.22	40.12	96.34	2.02	1.65	3.66	58.23	41.77	100.00
Mining	67.34	19.76	87.10	11.57	1.33	12.90	78.91	21.09	100.00
Manufacturing	32.29	22.00	54.29	31.94	13.77	45.71	64.23	35.77	100.00
Electricity, Gas & Water	61.33	1.77	63.11	36.63	0.27	36.89	97.96	2.04	100.00
Construction	59.17	5.76	64.93	32.18	2.90	35.07	91.34	8.66	100.00
Trade	37.98	5.96	43.94	50.75	5.31	56.06	88.73	11.27	100.00
Hotels & Restaurants	32.75	10.10	42.85	46.66	10.49	57.15	79.41	20.59	100.00
Transport & Storage	49.38	0.93	50.31	48.64	1.05	49.69	98.02	1.98	100.00
Banking, Finance & Insurance	24.78	4.09	28.87	62.98	8.15	71.13	87.76	12.24	100.00
Real estate, Renting & Business Services	22.13	1.20	23.33	70.66	6.01	76.67	92.79	7.21	100.00
Public Administration & Defense	78.18	5.52	83.71	13.45	2.84	16.29	91.63	8.37	100.00
Education	27.31	17.50	44.80	26.33	28.86	55.20	53.64	46.36	100.00
Health & Social Work	36.38	9.78	46.16	38.64	15.19	53.84	75.03	24.97	100.00
Other Community, Social & Personal Services	44.17	13.24	57.42	31.43	11.15	42.58	75.60	24.40	100.00
Private Household & Extra territorial Organisation	11.64	17.81	29.46	16.58	53.96	70.54	28.22	71.78	100.00
Total	50.11	29.68	79.79	15.69	4.53	20.21	65.79	34.21	100.00

Source: ibid

Annex – 3.2**Estimates of Informal Sector Workers by two digit Industry Groups, 2004-05 (in 000)**

NIC Code	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
1	140782	100610	241392	4831	4127	8958	145612	104737	250349
2	498	651	1148	37	5	42	535	655	1190
5	851	177	1028	231	34	265	1082	211	1293
Agriculture	142130	101438	243568	5098	4166	9264	147229	105604	252832
10	9	1	11	12	2	13	21	3	24
11	3	0	3	1	0	1	4	0	4
12	0	0	0	0	0	0	0	0	0
13	3	1	4	2	1	3	5	2	7
14	584	174	758	89	9	98	673	183	855
15	1776	709	2484	1308	302	1610	3084	1010	4094
16	535	2176	2712	228	768	996	764	2945	3708
17	1846	1948	3793	1960	1707	3667	3806	3655	7461
18	1807	1360	3167	1905	1305	3210	3712	2665	6377
19	179	22	201	455	87	542	634	109	743
20	2480	1383	3863	1009	144	1153	3489	1527	5016
21	24	17	41	167	80	247	191	98	288
22	93	16	109	433	57	490	526	73	599
23	12	6	17	10	0	10	21	6	27
24	113	202	315	194	226	421	308	428	736
25	75	13	88	274	46	319	349	59	408
26	1440	611	2051	340	131	471	1780	742	2522
27	131	3	134	185	12	197	316	15	330
28	766	33	799	1211	80	1291	1977	113	2090
29	268	5	273	364	33	397	632	38	670
30	3	0	3	9	0	9	12	0	12
31	110	1	111	336	35	371	446	36	482
32	14	0	14	44	6	50	58	6	64
33	18	0	18	68	21	89	86	21	107
34	20	0	20	116	0	116	135	0	135
35	37	0	37	79	2	81	116	2	118
36	1060	231	1291	1963	407	2370	3023	638	3661
37	18	0	18	25	20	45	42	20	62
40	36	2	37	21	0	21	57	2	58
41	17	0	17	11	0	11	27	0	27
45	11635	1133	12768	6327	570	6897	17962	1703	19665

(contd...)

NIC Code	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Industry	25111	10045	35157	19143	6051	25194	44254	16096	60351
50	791	14	805	1561	36	1597	2353	49	2402
51	1448	60	1508	3082	154	3235	4529	214	4743
52	13495	2396	15891	16384	2009	18393	29879	4405	34284
55	1733	534	2267	2468	555	3023	4201	1089	5290
60	6569	81	6649	6167	52	6219	12736	133	12869
61	19	1	20	13	0	13	32	1	33
62	0	0	0	0	3	3	0	3	3
63	59	0	59	203	12	215	261	12	274
64	278	49	328	439	80	519	718	129	847
65	102	20	122	272	31	303	374	51	425
66	77	6	83	131	19	150	208	26	234
67	18	6	24	98	15	112	116	21	136
70	61	6	66	376	35	411	436	41	477
71	231	12	243	279	1	280	510	13	523
72	23	7	30	257	27	284	281	34	314
73	0	0	0	0	0	0	0	0	1
74	413	15	429	1416	134	1549	1829	149	1978
75	62	4	67	11	2	13	73	7	80
80	839	538	1377	809	887	1696	1648	1424	3072
85	596	160	757	633	249	882	1230	409	1639
90	85	100	185	81	61	142	166	161	327
91	486	70	556	254	20	274	740	89	829
92	276	46	322	377	45	422	653	91	744
93	2421	763	3184	1613	700	2312	4033	1463	5496
95	547	837	1383	777	2533	3310	1323	3370	4693
99	0	0	0	2	1	3	2	1	3
Services	30629	5726	36354	37701	7661	45362	68330	13387	81716
Total	197870	117209	315079	61942	17877	79820	259813	135086	394899

Source: ibid

Annex – 3.3**Percentage Distribution of Informal Sector Workers by Industry, 2004-05 (Per cent)**

NIC Code	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
1	71.15	85.84	76.61	7.80	23.09	11.22	56.05	77.53	63.40
2	0.25	0.56	0.36	0.06	0.03	0.05	0.21	0.49	0.30
5	0.43	0.15	0.33	0.37	0.19	0.33	0.42	0.16	0.33
Agriculture	71.83	86.54	77.30	8.23	23.30	11.61	56.67	78.17	64.02
10	0.00	0.00	0.00	0.02	0.01	0.02	0.01	0.00	0.01
11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00
14	0.30	0.15	0.24	0.14	0.05	0.12	0.26	0.14	0.22
15	0.90	0.60	0.79	2.11	1.69	2.02	1.19	0.75	1.04
16	0.27	1.86	0.86	0.37	4.30	1.25	0.29	2.18	0.94
17	0.93	1.66	1.20	3.16	9.55	4.59	1.46	2.71	1.89
18	0.91	1.16	1.01	3.08	7.30	4.02	1.43	1.97	1.61
19	0.09	0.02	0.06	0.73	0.49	0.68	0.24	0.08	0.19
20	1.25	1.18	1.23	1.63	0.80	1.44	1.34	1.13	1.27
21	0.01	0.01	0.01	0.27	0.45	0.31	0.07	0.07	0.07
22	0.05	0.01	0.03	0.70	0.32	0.61	0.20	0.05	0.15
23	0.01	0.00	0.01	0.02	0.00	0.01	0.01	0.00	0.01
24	0.06	0.17	0.10	0.31	1.27	0.53	0.12	0.32	0.19
25	0.04	0.01	0.03	0.44	0.26	0.40	0.13	0.04	0.10
26	0.73	0.52	0.65	0.55	0.73	0.59	0.69	0.55	0.64
27	0.07	0.00	0.04	0.30	0.07	0.25	0.12	0.01	0.08
28	0.39	0.03	0.25	1.96	0.45	1.62	0.76	0.08	0.53
29	0.14	0.00	0.09	0.59	0.19	0.50	0.24	0.03	0.17
30	0.00	0.00	0.00	0.01	0.00	0.01	0.00	0.00	0.00
31	0.06	0.00	0.04	0.54	0.19	0.46	0.17	0.03	0.12
32	0.01	0.00	0.00	0.07	0.03	0.06	0.02	0.00	0.02
33	0.01	0.00	0.01	0.11	0.12	0.11	0.03	0.02	0.03
34	0.01	0.00	0.01	0.19	0.00	0.14	0.05	0.00	0.03
35	0.02	0.00	0.01	0.13	0.01	0.10	0.04	0.00	0.03
36	0.54	0.20	0.41	3.17	2.28	2.97	1.16	0.47	0.93
37	0.01	0.00	0.01	0.04	0.11	0.06	0.02	0.01	0.02
40	0.02	0.00	0.01	0.03	0.00	0.03	0.02	0.00	0.01
41	0.01	0.00	0.01	0.02	0.00	0.01	0.01	0.00	0.01
45	5.88	0.97	4.05	10.21	3.19	8.64	6.91	1.26	4.98

(contd...)

NIC Code	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Industry	12.69	8.57	11.16	30.90	33.85	31.56	17.03	11.92	15.28
50	0.40	0.01	0.26	2.52	0.20	2.00	0.91	0.04	0.61
51	0.73	0.05	0.48	4.97	0.86	4.05	1.74	0.16	1.20
52	6.82	2.04	5.04	26.45	11.24	23.04	11.50	3.26	8.68
55	0.88	0.46	0.72	3.98	3.10	3.79	1.62	0.81	1.34
60	3.32	0.07	2.11	9.96	0.29	7.79	4.90	0.10	3.26
61	0.01	0.00	0.01	0.02	0.00	0.02	0.01	0.00	0.01
62	0.00	0.00	0.00	0.00	0.02	0.00	0.00	0.00	0.00
63	0.03	0.00	0.02	0.33	0.07	0.27	0.10	0.01	0.07
64	0.14	0.04	0.10	0.71	0.45	0.65	0.28	0.10	0.21
65	0.05	0.02	0.04	0.44	0.17	0.38	0.14	0.04	0.11
66	0.04	0.01	0.03	0.21	0.11	0.19	0.08	0.02	0.06
67	0.01	0.01	0.01	0.16	0.08	0.14	0.04	0.02	0.03
70	0.03	0.01	0.02	0.61	0.20	0.51	0.17	0.03	0.12
71	0.12	0.01	0.08	0.45	0.01	0.35	0.20	0.01	0.13
72	0.01	0.01	0.01	0.42	0.15	0.36	0.11	0.02	0.08
73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
74	0.21	0.01	0.14	2.29	0.75	1.94	0.70	0.11	0.50
75	0.03	0.00	0.02	0.02	0.01	0.02	0.03	0.00	0.02
80	0.42	0.46	0.44	1.31	4.96	2.12	0.63	1.05	0.78
85	0.30	0.14	0.24	1.02	1.39	1.11	0.47	0.30	0.42
90	0.04	0.09	0.06	0.13	0.34	0.18	0.06	0.12	0.08
91	0.25	0.06	0.18	0.41	0.11	0.34	0.28	0.07	0.21
92	0.14	0.04	0.10	0.61	0.25	0.53	0.25	0.07	0.19
93	1.22	0.65	1.01	2.60	3.91	2.90	1.55	1.08	1.39
95	0.28	0.71	0.44	1.25	14.17	4.15	0.51	2.49	1.19
99	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00
Services	15.48	4.89	11.54	60.86	42.85	56.83	26.30	9.91	20.69
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: ibid

Annex – 3.4**Percentage Distribution of Informal Sector Workers by Sector and Sex, 2004-05 (Per cent)**

NIC Code	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
1	56.23	40.19	96.42	1.93	1.65	3.58	58.16	41.84	100.00
2	41.83	54.68	96.51	3.09	0.40	3.49	44.92	55.08	100.00
5	65.81	13.71	79.52	17.85	2.63	20.48	83.66	16.34	100.00
Agriculture	56.22	40.12	96.34	2.02	1.65	3.66	58.23	41.77	100.00
10	38.06	6.19	44.25	48.71	7.04	55.75	86.77	13.23	100.00
11	79.08	0.00	79.08	20.92	0.00	20.92	100.00	0.00	100.00
12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13	46.24	9.77	56.01	23.82	20.17	43.99	70.06	29.94	100.00
14	68.27	20.31	88.58	10.39	1.03	11.42	78.66	21.34	100.00
15	43.37	17.31	60.68	31.95	7.37	39.32	75.33	24.67	100.00
16	14.44	58.69	73.13	6.16	20.72	26.87	20.59	79.41	100.00
17	24.74	26.10	50.84	26.27	22.88	49.16	51.01	48.99	100.00
18	28.34	21.32	49.66	29.88	20.47	50.34	58.21	41.79	100.00
19	24.07	3.00	27.07	61.21	11.72	72.93	85.28	14.72	100.00
20	49.44	27.58	77.02	20.12	2.87	22.98	69.56	30.44	100.00
21	8.30	6.05	14.35	57.81	27.84	85.65	66.10	33.90	100.00
22	15.47	2.70	18.17	72.33	9.51	81.83	87.79	12.21	100.00
23	43.29	21.11	64.39	35.61	0.00	35.61	78.89	21.11	100.00
24	15.41	27.43	42.84	26.42	30.74	57.16	41.83	58.17	100.00
25	18.49	3.21	21.70	67.07	11.23	78.30	85.55	14.45	100.00
26	57.11	24.21	81.32	13.48	5.20	18.68	70.59	29.41	100.00
27	39.58	0.93	40.52	55.97	3.52	59.48	95.55	4.45	100.00
28	36.66	1.58	38.23	57.95	3.82	61.77	94.61	5.39	100.00
29	40.03	0.69	40.72	54.28	4.99	59.28	94.31	5.69	100.00
30	27.07	0.00	27.07	72.93	0.00	72.93	100.00	0.00	100.00
31	22.91	0.20	23.12	69.66	7.22	76.88	92.57	7.43	100.00
32	21.48	0.00	21.48	69.27	9.25	78.52	90.75	9.25	100.00
33	16.88	0.00	16.88	63.16	19.95	83.12	80.05	19.95	100.00
34	14.51	0.00	14.51	85.49	0.00	85.49	100.00	0.00	100.00
35	31.20	0.00	31.20	67.25	1.55	68.80	98.45	1.55	100.00
36	28.95	6.30	35.25	53.62	11.13	64.75	82.58	17.42	100.00
37	28.20	0.00	28.20	40.02	31.78	71.80	68.22	31.78	100.00
40	61.50	2.61	64.11	35.50	0.39	35.89	97.00	3.00	100.00
41	60.98	0.00	60.98	39.02	0.00	39.02	100.00	0.00	100.00
45	59.17	5.76	64.93	32.18	2.90	35.07	91.34	8.66	100.00

(contd...)

NIC Code	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Industry	41.61	16.64	58.25	31.72	10.03	41.75	73.33	26.67	100.00
50	32.94	0.56	33.50	65.01	1.49	66.50	97.94	2.06	100.00
51	30.52	1.27	31.79	64.97	3.24	68.21	95.48	4.52	100.00
52	39.36	6.99	46.35	47.79	5.86	53.65	87.15	12.85	100.00
55	32.75	10.10	42.85	46.66	10.49	57.15	79.41	20.59	100.00
60	51.04	0.63	51.67	47.92	0.41	48.33	98.97	1.03	100.00
61	59.13	2.40	61.53	38.47	0.00	38.47	97.60	2.40	100.00
62	0.00	0.00	0.00	0.00	100.00	100.00	0.00	100.00	100.00
63	21.39	0.00	21.39	74.14	4.47	78.61	95.53	4.47	100.00
64	32.88	5.84	38.72	51.89	9.39	61.28	84.76	15.24	100.00
65	24.01	4.67	28.68	64.05	7.27	71.32	88.06	11.94	100.00
66	32.98	2.71	35.69	56.05	8.26	64.31	89.03	10.97	100.00
67	13.11	4.67	17.79	71.54	10.68	82.21	84.65	15.35	100.00
70	12.67	1.24	13.91	78.67	7.42	86.09	91.34	8.66	100.00
71	44.23	2.21	46.44	53.28	0.28	53.56	97.51	2.49	100.00
72	7.46	2.14	9.59	81.81	8.60	90.41	89.26	10.74	100.00
73	5.78	0.00	5.78	0.00	94.22	94.22	5.78	94.22	100.00
74	20.90	0.78	21.68	71.57	6.75	78.32	92.47	7.53	100.00
75	78.18	5.52	83.71	13.45	2.84	16.29	91.63	8.37	100.00
80	27.31	17.50	44.80	26.33	28.86	55.20	53.64	46.36	100.00
85	36.38	9.78	46.16	38.64	15.19	53.84	75.03	24.97	100.00
90	25.97	30.67	56.64	24.74	18.62	43.36	50.71	49.29	100.00
91	58.56	8.42	66.99	30.66	2.36	33.01	89.22	10.78	100.00
92	37.12	6.20	43.32	50.68	6.01	56.68	87.79	12.21	100.00
93	44.04	13.89	57.93	29.34	12.73	42.07	73.38	26.62	100.00
95	11.65	17.83	29.48	16.55	53.98	70.52	28.20	71.80	100.00
99	4.08	0.00	4.08	63.23	32.69	95.92	67.31	32.69	100.00
Services	37.48	7.01	44.49	46.14	9.37	55.51	83.62	16.38	100.00
Total	50.11	29.68	79.79	15.69	4.53	20.21	65.79	34.21	100.00

Source: ibid

Annex – 3.5**1: Estimates of Informal Sector Workers by Age and Sex, 2004-05 (million)**

Age Group	Rural			Urban			Rural + urban		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
05-09	0.13	0.12	0.25	0.03	0.04	0.07	0.16	0.16	0.33
10-14	3.37	3.10	6.46	0.76	0.50	1.26	4.13	3.59	7.72
15-19	18.82	10.44	29.26	4.99	1.56	6.55	23.81	12.00	35.81
20-24	24.97	12.95	37.92	9.02	2.16	11.18	33.99	15.11	49.10
25-29	25.09	14.38	39.48	9.28	2.05	11.32	34.37	16.43	50.80
30-34	23.16	16.54	39.69	8.68	2.57	11.25	31.83	19.10	50.94
35-39	24.05	16.38	40.44	8.22	2.78	11.00	32.27	19.16	51.43
40-44	19.89	12.54	32.43	6.34	1.99	8.34	26.23	14.53	40.76
45-49	17.96	10.57	28.53	5.36	1.49	6.85	23.31	12.07	35.38
50-54	12.92	7.50	20.42	3.54	1.03	4.57	16.46	8.54	24.99
54-59	10.06	5.75	15.80	2.39	0.71	3.10	12.44	6.46	18.90
60+	17.46	6.94	24.39	3.35	0.99	4.34	20.80	7.92	28.73
Total	197.87	117.21	315.08	61.94	17.88	79.82	259.81	135.09	394.90

Source: ibid

2: Percentage Distribution of Informal Sector Workers by Age Group, 2004-05 (Per cent)

Age Group	Rural			Urban			Rural + urban		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
05-09	0.07	0.10	0.08	0.05	0.23	0.09	0.06	0.12	0.08
10-14	1.70	2.64	2.05	1.23	2.79	1.58	1.59	2.66	1.96
15-19	9.51	8.91	9.29	8.05	8.72	8.20	9.16	8.89	9.07
20-24	12.62	11.05	12.03	14.56	12.10	14.01	13.08	11.19	12.43
25-29	12.68	12.27	12.53	14.98	11.44	14.18	13.23	12.16	12.86
30-34	11.70	14.11	12.60	14.01	14.36	14.09	12.25	14.14	12.90
35-39	12.16	13.98	12.83	13.26	15.55	13.78	12.42	14.19	13.02
40-44	10.05	10.70	10.29	10.24	11.16	10.44	10.10	10.76	10.32
45-49	9.08	9.02	9.06	8.65	8.35	8.58	8.97	8.93	8.96
50-54	6.53	6.40	6.48	5.71	5.78	5.73	6.33	6.32	6.33
54-59	5.08	4.90	5.02	3.85	4.00	3.88	4.79	4.78	4.79
60+	8.82	5.92	7.74	5.41	5.52	5.43	8.01	5.87	7.27
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: ibid

3: Percentage Distribution of Informal Sector Workers by Area and Sex, 2004-05 (Per cent)

Age Group	Rural			Urban			Rural + urban		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
05-09	39.84	37.20	77.04	10.17	12.79	22.96	50.01	49.99	100.00
10-14	43.61	40.09	83.71	9.84	6.45	16.29	53.46	46.54	100.00
15-19	52.55	29.16	81.72	13.93	4.35	18.28	66.48	33.52	100.00
20-24	50.86	26.37	77.23	18.37	4.41	22.77	69.22	30.78	100.00
25-29	49.40	28.31	77.71	18.26	4.03	22.29	67.66	32.34	100.00
30-34	45.46	32.46	77.92	17.04	5.04	22.08	62.50	37.50	100.00
35-39	46.77	31.85	78.62	15.98	5.40	21.38	62.74	37.26	100.00
40-44	48.79	30.76	79.55	15.56	4.89	20.45	64.35	35.65	100.00
45-49	50.75	29.89	80.64	15.14	4.22	19.36	65.89	34.11	100.00
50-54	51.68	30.02	81.70	14.16	4.13	18.30	65.85	34.15	100.00
54-59	53.20	30.39	83.60	12.62	3.78	16.40	65.82	34.18	100.00
60+	60.76	24.15	84.91	11.66	3.43	15.09	72.42	27.58	100.00
Total	50.11	29.68	79.79	15.69	4.53	20.21	65.79	34.21	100.00

Source: ibid

Annex – 3.6**1: Estimates of Informal Sector Workers by Level of Education, Sector and Sex, 2004-05 (million)**

Level of Education	Rural			Urban			Rural + Urban		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
Illiterate	70.39	79.13	149.52	10.10	7.94	18.04	80.49	87.07	167.56
Below Primary	27.40	10.30	37.70	6.34	1.77	8.12	33.74	12.07	45.82
Primary	32.54	11.92	44.46	9.85	2.55	12.41	42.39	14.48	56.87
Middle	35.71	9.97	45.68	13.04	2.36	15.40	48.74	12.33	61.07
Secondary	17.10	3.74	20.84	9.51	1.10	10.60	26.61	4.84	31.45
Higher Secondary	8.21	1.34	9.54	5.20	0.68	5.89	13.41	2.02	15.43
Diploma/Certificate	1.20	0.29	1.49	1.37	0.29	1.66	2.57	0.58	3.15
Graduate& above	5.33	0.52	5.84	6.53	1.17	7.70	11.86	1.69	13.55
Total	197.87	117.21	315.08	61.94	17.88	79.82	259.81	135.09	394.90

Source: ibid

2: Percentage Distribution of Informal Sector Workers by Level of Education, 2004-05 (Per cent)

Level of Education	Rural			Urban			Rural + Urban		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
Illiterate	35.57	67.51	47.45	16.30	44.43	22.60	30.98	64.46	42.43
Below Primary	13.85	8.79	11.97	10.24	9.90	10.17	12.99	8.94	11.60
Primary	16.44	10.17	14.11	15.91	14.27	15.54	16.32	10.72	14.40
Middle	18.05	8.50	14.50	21.04	13.22	19.29	18.76	9.13	15.47
Secondary	8.64	3.19	6.62	15.35	6.14	13.29	10.24	3.58	7.96
Higher Secondary	4.15	1.14	3.03	8.40	3.83	7.37	5.16	1.50	3.91
Diploma/Certificate	0.61	0.25	0.47	2.22	1.63	2.09	0.99	0.43	0.80
Graduate& above	2.69	0.44	1.85	10.54	6.57	9.65	4.56	1.25	3.43
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: ibid

3: Percentage Distribution of Informal Sector Workers by Sector and Sex, 2004-05 (Per cent)

Level of Education	Rural			Urban			Rural + Urban		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
Illiterate	42.01	47.23	89.23	6.03	4.74	10.77	48.03	51.97	100.00
Below Primary	59.80	22.49	82.29	13.85	3.86	17.71	73.65	26.35	100.00
Primary	57.22	20.97	78.19	17.33	4.49	21.81	74.54	25.46	100.00
Middle	58.47	16.32	74.79	21.34	3.87	25.21	79.81	20.19	100.00
Secondary	54.39	11.89	66.28	30.23	3.49	33.72	84.61	15.39	100.00
Higher Secondary	53.20	8.65	61.86	33.71	4.44	38.14	86.91	13.09	100.00
Diploma/Certificate	38.03	9.23	47.25	43.52	9.23	52.75	81.54	18.46	100.00
Graduate& above	39.32	3.81	43.13	48.20	8.67	56.87	87.52	12.48	100.00
Total	50.11	29.68	79.79	15.69	4.53	20.21	65.79	34.21	100.00

Source: ibid

Annex – 3.7**1: Estimates of Informal Sector Workers by Social Groups, 2004-05 (million)**

Social Group	Rural			Urban			Rural + Urban		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
Scheduled Tribe	21.05	17.06	38.10	1.60	0.83	2.43	22.65	17.89	40.54
Scheduled Caste	41.90	25.60	67.51	8.86	3.23	12.09	50.77	28.83	79.60
O B C	84.29	51.03	135.32	24.25	7.82	32.07	108.54	58.85	167.39
Others	50.48	23.46	73.94	27.22	5.98	33.21	77.70	29.44	107.14
Non-Reporting	0.15	0.06	0.21	0.01	0.01	0.02	0.16	0.07	0.23
Total	197.87	117.21	315.08	61.94	17.88	79.82	259.81	135.09	394.90

Source: ibid

2: Percentage Distribution of Informal Sector Workers by Social Groups, 2004-05 (Per cent)

Social Group	Rural			Urban			Rural + Urban		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
Scheduled Tribe	10.64	14.55	12.09	2.58	4.66	3.05	8.72	13.24	10.27
Scheduled Caste	21.18	21.84	21.42	14.31	18.04	15.15	19.54	21.34	20.16
O B C	42.60	43.54	42.95	39.15	43.75	40.18	41.78	43.57	42.39
Others	25.51	20.02	23.47	43.95	33.47	41.60	29.91	21.80	27.13
Non-Reporting	0.08	0.05	0.07	0.01	0.08	0.02	0.06	0.06	0.06
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: ibid

3: Percentage Distribution of Informal Sector by sector and Sex, 2004-05 (Per cent)

Social Group	Rural			Urban			Rural + Urban		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
Scheduled Tribe	51.92	42.07	94.00	3.95	2.05	6.00	55.87	44.13	100.00
Scheduled Caste	52.65	32.16	84.81	11.14	4.05	15.19	63.78	36.22	100.00
O B C	50.36	30.49	80.84	14.49	4.67	19.16	64.84	35.16	100.00
Others	47.11	21.90	69.01	25.41	5.59	30.99	72.52	27.48	100.00
Non-Reporting	65.32	26.15	91.47	2.41	6.12	8.53	67.73	32.27	100.00
Total	50.11	29.68	79.79	15.69	4.53	20.21	65.79	34.21	100.00

Source: ibid

4: Indices of Shares of Informal Sector Workers by Social Groups, 2004-05

Social Group	Rural			Urban			Rural + Urban		
	Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
Scheduled Tribe	1.00	1.00	1.01	0.93	1.00	0.96	1.05	1.03	1.05
Scheduled Caste	1.00	1.01	1.00	0.97	1.00	0.98	1.01	1.01	1.01
O B C	1.01	1.00	1.01	1.07	1.09	1.08	1.03	1.02	1.03
Others	0.98	0.98	0.98	0.96	0.90	0.94	0.94	0.95	0.94
Non-Reporting	1.00	1.01	1.00	0.89	1.32	1.20	1.06	1.05	1.06
Total	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Source: ibid

Annex – 3.8**1: Estimates of Rural Workers by MPCE Class, 2004-05 (million)**

MPCE Class	Informal Sector			Total		
	Male	Female	Persons	Male	Female	Persons
<235	5.16	3.85	9.01	5.47	4.03	9.50
235-270	6.38	4.29	10.67	6.72	4.43	11.15
270-320	15.85	9.66	25.51	16.76	10.02	26.78
320-365	19.41	12.30	31.71	20.65	12.72	33.37
365-410	20.13	12.32	32.46	21.54	12.84	34.38
410-455	19.77	12.01	31.78	21.30	12.62	33.92
455-510	22.39	13.01	35.40	24.16	13.60	37.76
510-580	24.00	13.68	37.68	26.08	14.34	40.41
580-690	25.17	13.81	38.98	27.64	14.69	42.33
690-890	21.81	12.57	34.37	25.02	13.44	38.47
890-1155	10.85	6.01	16.87	13.33	6.58	19.92
>=1155	6.95	3.70	10.66	10.38	4.71	15.09
Total	197.87	117.21	315.08	219.04	124.03	343.07

Source: ibid

2: Percentage Distribution of Rural Workers by MPCE Class, 2004-05 (Per cent)

MPCE Class	Informal Sector			Total		
	Male	Female	Persons	Male	Female	Persons
<235	2.61	3.28	2.86	2.50	3.25	2.77
235-270	3.22	3.66	3.39	3.07	3.57	3.25
270-320	8.01	8.24	8.10	7.65	8.08	7.81
320-365	9.81	10.49	10.06	9.43	10.26	9.73
365-410	10.18	10.51	10.30	9.83	10.35	10.02
410-455	9.99	10.25	10.09	9.72	10.18	9.89
455-510	11.32	11.10	11.24	11.03	10.96	11.01
510-580	12.13	11.67	11.96	11.90	11.56	11.78
580-690	12.72	11.78	12.37	12.62	11.84	12.34
690-890	11.02	10.72	10.91	11.42	10.84	11.21
890-1155	5.48	5.13	5.35	6.09	5.31	5.81
>=1155	3.51	3.16	3.38	4.74	3.80	4.40
Total	100.00	100.00	100.00	100.00	100.00	100.00

Source: ibid

3: Percentage Distribution of Rural Workers by Sector and Sex, 2004-05 (Per cent)

MPCE Class	Informal Sector			Total		
	Male	Female	Persons	Male	Female	Persons
<235	57.28	42.72	100.00	57.55	42.45	100.00
235-270	59.82	40.18	100.00	60.25	39.75	100.00
270-320	62.13	37.87	100.00	62.58	37.42	100.00
320-365	61.21	38.79	100.00	61.88	38.12	100.00
365-410	62.03	37.97	100.00	62.65	37.35	100.00
410-455	62.21	37.79	100.00	62.78	37.22	100.00
455-510	63.26	36.74	100.00	63.99	36.01	100.00
510-580	63.69	36.31	100.00	64.53	35.47	100.00
580-690	64.57	35.43	100.00	65.30	34.70	100.00
690-890	63.44	36.56	100.00	65.05	34.95	100.00
890-1155	64.35	35.65	100.00	66.95	33.05	100.00
>=1155	65.25	34.75	100.00	68.77	31.23	100.00
Total	62.80	37.20	100.00	63.85	36.15	100.00

Source: ibid

4: Indices of Shares of Rural Informal Sector Workers, 2004-05

MPCE Class	Informal Sector		
	Male	Female	Persons
<235	1.04	1.01	1.03
235-270	1.05	1.02	1.04
270-320	1.05	1.02	1.04
320-365	1.04	1.02	1.03
365-410	1.03	1.02	1.03
410-455	1.03	1.01	1.02
455-510	1.03	1.01	1.02
510-580	1.02	1.01	1.02
580-690	1.01	1.00	1.00
690-890	0.96	0.99	0.97
890-1155	0.90	0.97	0.92
>=1155	0.74	0.83	0.77
Total	1.00	1.00	1.00

Source: ibid

Annex – 3.9**1: Estimates of Urban Workers by MPCE Class, 2004-05 (million)**

MPCE Class	Informal Sector			Total		
	Male	Female	Persons	Male	Female	Persons
< 335	2.64	1.07	3.71	3.06	1.23	4.29
335-395	3.04	1.29	4.33	3.50	1.42	4.92
395-485	6.55	2.50	9.05	7.76	2.79	10.55
485-580	8.03	2.70	10.72	9.81	3.10	12.92
580-675	7.64	2.49	10.13	9.79	2.87	12.66
675-790	6.64	1.84	8.48	9.02	2.20	11.22
790-930	6.83	1.62	8.45	9.57	2.12	11.70
930-1100	5.62	1.31	6.92	8.86	1.83	10.70
1100-1380	5.53	1.09	6.62	9.48	1.85	11.33
1380-1880	5.01	0.99	6.00	9.66	1.92	11.59
1880-2540	2.58	0.48	3.05	5.35	1.24	6.59
2540>=	1.85	0.50	2.35	4.53	1.41	5.94
Total	61.94	17.88	79.82	90.40	24.00	114.40

Source: ibid

2: Percentage Distribution of Urban Workers by MPCE Class, 2004-05 (Per cent)

MPCE Class	Informal Sector			Total		
	Male	Female	Persons	Male	Female	Persons
< 335	4.26	5.99	4.65	3.38	5.14	3.75
335-395	4.90	7.23	5.42	3.87	5.94	4.30
395-485	10.57	13.96	11.33	8.58	11.63	9.22
485-580	12.96	15.09	13.44	10.86	12.94	11.29
580-675	12.33	13.93	12.69	10.83	11.95	11.06
675-790	10.72	10.30	10.62	9.98	9.17	9.81
790-930	11.03	9.07	10.59	10.59	8.85	10.22
930-1100	9.07	7.31	8.67	9.80	7.64	9.35
1100-1380	8.93	6.08	8.29	10.49	7.69	9.90
1380-1880	8.09	5.55	7.52	10.69	8.01	10.13
1880-2540	4.16	2.68	3.83	5.92	5.17	5.76
2540>=	2.99	2.80	2.95	5.02	5.87	5.20
Total	100.00	100.00	100.00	100.00	100.00	100.00

Source: ibid

3: Percentage Distribution of Urban Workers by Sector and Sex, 2004-05 (Per cent)

MPCE Class	Informal Sector			Total		
	Male	Female	Persons	Male	Female	Persons
< 335	71.13	28.87	100.00	71.23	28.77	100.00
335-395	70.14	29.86	100.00	71.04	28.96	100.00
395-485	72.40	27.60	100.00	73.54	26.46	100.00
485-580	74.84	25.16	100.00	75.97	24.03	100.00
580-675	75.41	24.59	100.00	77.34	22.66	100.00
675-790	78.28	21.72	100.00	80.40	19.60	100.00
790-930	80.82	19.18	100.00	81.84	18.16	100.00
930-1100	81.14	18.86	100.00	82.86	17.14	100.00
1100-1380	83.57	16.43	100.00	83.70	16.30	100.00
1380-1880	83.47	16.53	100.00	83.42	16.58	100.00
1880-2540	84.31	15.69	100.00	81.19	18.81	100.00
2540>=	78.68	21.32	100.00	76.28	23.72	100.00
Total	77.60	22.40	100.00	79.02	20.98	100.00

Source: ibid

4: Indices of Shares of Urban Informal Sector Workers, 2004-05

MPCE Class	Informal Sector		
	Male	Female	Persons
< 335	1.26	1.16	1.24
335-395	1.27	1.22	1.26
395-485	1.23	1.20	1.23
485-580	1.19	1.17	1.19
580-675	1.14	1.17	1.15
675-790	1.07	1.12	1.08
790-930	1.04	1.02	1.04
930-1100	0.93	0.96	0.93
1100-1380	0.85	0.79	0.84
1380-1880	0.76	0.69	0.74
1880-2540	0.70	0.52	0.66
2540>=	0.60	0.48	0.57
Total	1.00	1.00	1.00

Source: ibid

Annex – 3.10**Estimates of Informal Sector Workers by State, 2004-05 (in 000)**

State	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Andhra Pradesh	15910	13022	28931	4701	2083	6784	20611	15105	35716
Arunachal Pradesh	178	146	324	15	5	20	193	150	344
Assam	6259	1912	8171	541	94	635	6800	2006	8806
Bihar	17041	4487	21528	1619	224	1843	18660	4711	23371
Goa	116	49	164	68	28	96	184	77	260
Gujarat	9233	6717	15950	3817	971	4788	13050	7688	20738
Haryana	3882	2471	6353	1416	307	1722	5298	2777	8075
Himachal Pradesh	1336	1422	2758	107	35	142	1443	1458	2901
Jammu & Kashmir	1275	643	1918	408	83	491	1683	727	2409
Karnataka	10444	7566	18010	4084	1167	5251	14528	8733	23261
Kerala	4216	2103	6318	1657	537	2194	5872	2640	8513
Madhya Pradesh	13317	8196	21513	3360	901	4260	16676	9097	25773
Maharashtra	15432	13059	28491	8621	2794	11415	24053	15853	39906
Manipur	363	251	614	89	49	139	453	300	753
Meghalaya	486	409	895	39	24	63	525	433	958
Mizoram	127	89	215	51	37	88	178	125	303
Nagaland	132	131	263	45	27	73	177	159	336
Orissa	9147	5241	14388	1115	315	1430	10262	5556	15818
Punjab	4363	2535	6898	2176	364	2540	6539	2898	9438
Rajasthan	11011	8735	19746	3367	1257	4623	14378	9991	24369
Sikkim	103	59	162	12	3	15	115	62	177
Tamil Nadu	9446	7846	17291	5394	2212	7606	14840	10058	24897
Tripura	745	98	844	85	14	99	831	112	943
Uttar Pradesh	34194	16174	50368	8987	1923	10910	43182	18097	61278
West Bengal	17043	4966	22009	5485	1515	6999	22528	6481	29009
Jharkhand	5166	3062	8227	795	204	999	5961	3265	9226
Chhattisgarh	5031	4328	9359	716	276	992	5747	4604	10351
Uttaranchal	1466	1364	2829	427	99	526	1893	1463	3355
A&N	41	17	58	13	4	17	54	21	75
Chandigarh	30	2	32	127	25	152	157	27	184
D&N	29	33	62	5	2	7	34	35	69
D&D	20	4	24	9	5	14	29	9	39
Delhi	219	18	237	2488	259	2747	2707	277	2984
Lakshadweep	6	0	6	2	1	3	8	1	9
Pondicherry	67	53	120	100	35	135	168	88	256
Total	197870	117209	315079	61942	17877	79820	259813	135086	394899

Source: *ibid*

Annex – 3.11**Percentage Share of Informal Sector Workers to Total Workers, 2004-05 (Per cent)**

State	Rural			Urban			Rural + Urban			Rank
	Male	Female	Total	Male	Female	Total	Male	Female	Total	
Andhra Pradesh	90.89	94.59	92.52	70.68	82.19	73.86	85.33	92.66	88.28	7
Arunachal Pradesh	84.44	95.56	89.11	46.64	55.07	48.35	79.32	93.45	84.94	14
Assam	88.25	81.88	86.67	63.48	61.47	63.18	85.59	80.63	84.41	16
Bihar	97.30	98.73	97.59	81.07	92.75	82.33	95.63	98.43	96.19	1
Goa	69.27	70.70	69.69	49.30	62.08	52.46	60.25	67.28	62.17	30
Gujarat	87.66	96.36	91.13	61.82	71.46	63.56	78.11	92.30	82.83	20
Haryana	83.51	97.05	88.30	68.76	72.45	69.39	78.99	93.54	83.45	19
Himachal Pradesh	81.92	94.24	87.84	41.81	49.50	43.49	76.49	92.22	83.66	18
Jammu & Kashmir	81.85	94.80	85.78	67.40	76.14	68.74	77.81	92.20	81.65	24
Karnataka	91.37	93.55	92.27	71.15	72.61	71.47	84.61	90.08	86.58	10
Kerala	62.78	63.01	62.86	66.76	60.16	65.02	63.86	62.41	63.40	28
Madhya Pradesh	93.53	95.53	94.28	68.95	72.01	69.58	87.27	92.54	89.06	6
Maharashtra	89.30	96.73	92.56	62.28	69.17	63.83	77.28	90.39	82.00	23
Manipur	87.49	96.05	90.80	65.69	77.75	69.52	82.11	92.47	85.95	11
Meghalaya	87.66	92.05	89.61	50.56	41.80	46.86	83.10	86.36	84.54	15
Mizoram	91.11	97.14	93.50	59.92	79.33	66.79	79.28	91.12	83.79	17
Nagaland	81.62	96.14	88.29	60.99	79.44	66.86	75.12	92.77	82.56	22
Orissa	91.73	95.47	93.06	66.77	73.54	68.15	88.15	93.88	90.08	4
Punjab	87.62	96.31	90.63	75.34	63.43	73.37	83.12	90.43	85.23	13
Rajasthan	92.35	96.61	94.19	77.34	88.79	80.15	88.33	95.55	91.16	3
Sikkim	74.99	86.00	78.68	56.41	52.51	55.62	72.53	83.57	76.07	26
Tamil Nadu	86.56	92.09	88.98	65.45	70.09	66.73	77.48	86.14	80.76	25
Tripura	87.66	80.40	86.74	61.20	49.66	59.31	83.93	74.78	82.73	21
Uttar Pradesh	94.49	98.45	95.73	78.57	86.96	79.93	90.67	97.09	92.47	2
West Bengal	90.97	89.47	90.63	69.59	84.49	72.35	84.64	88.26	85.42	12
Jharkhand	89.25	96.86	91.94	62.56	65.41	63.12	84.44	94.04	87.61	8
Chhattisgarh	90.94	96.88	93.59	60.15	79.27	64.48	85.49	95.60	89.71	5
Uttaranchal	88.95	98.76	93.42	63.87	69.34	64.83	81.71	96.00	87.38	9
A&N	65.41	74.96	67.94	32.68	46.77	35.27	52.94	67.11	56.29	33
Chandigarh	76.95	91.49	77.73	45.64	40.62	44.73	49.47	42.36	48.27	34
D&N	50.62	81.76	63.48	50.02	82.66	56.49	50.53	81.82	62.70	29
D&D	65.25	63.03	64.84	52.99	69.95	57.95	60.78	66.57	62.10	31
Delhi	73.44	87.67	74.37	61.79	50.12	60.46	62.59	51.57	61.37	32
Lakshadweep	50.84	31.32	49.80	27.56	44.90	30.84	41.22	41.42	41.25	35
Pondicherry	75.38	87.70	80.35	55.61	69.87	58.72	62.16	79.60	67.24	27
Total	90.33	94.50	91.84	68.52	74.50	69.78	83.96	91.26	86.32	

Source: *ibid*

Annex – 3.12**Percentage Distribution of Informal Sector Workers by State, 2004-05 (Per cent)**

State	Rural			Urban			Rural + Urban			Rank
	Male	Female	Total	Male	Female	Total	Male	Female	Total	
Andhra Pradesh	8.04	11.11	9.18	7.59	11.65	8.50	7.93	11.18	9.04	3
Arunachal Pradesh	0.09	0.12	0.10	0.02	0.03	0.03	0.07	0.11	0.09	25
Assam	3.16	1.63	2.59	0.87	0.52	0.80	2.62	1.49	2.23	15
Bihar	8.61	3.83	6.83	2.61	1.25	2.31	7.18	3.49	5.92	8
Goa	0.06	0.04	0.05	0.11	0.16	0.12	0.07	0.06	0.07	28
Gujarat	4.67	5.73	5.06	6.16	5.43	6.00	5.02	5.69	5.25	10
Haryana	1.96	2.11	2.02	2.29	1.72	2.16	2.04	2.06	2.04	17
Himachal Pradesh	0.68	1.21	0.88	0.17	0.20	0.18	0.56	1.08	0.73	20
Jammu & Kashmir	0.64	0.55	0.61	0.66	0.47	0.62	0.65	0.54	0.61	21
Karnataka	5.28	6.46	5.72	6.59	6.53	6.58	5.59	6.46	5.89	9
Kerala	2.13	1.79	2.01	2.67	3.01	2.75	2.26	1.95	2.16	16
Madhya Pradesh	6.73	6.99	6.83	5.42	5.04	5.34	6.42	6.73	6.53	5
Maharashtra	7.80	11.14	9.04	13.92	15.63	14.30	9.26	11.74	10.11	2
Manipur	0.18	0.21	0.19	0.14	0.28	0.17	0.17	0.22	0.19	24
Meghalaya	0.25	0.35	0.28	0.06	0.13	0.08	0.20	0.32	0.24	22
Mizoram	0.06	0.08	0.07	0.08	0.21	0.11	0.07	0.09	0.08	27
Nagaland	0.07	0.11	0.08	0.07	0.15	0.09	0.07	0.12	0.08	26
Orissa	4.62	4.47	4.57	1.80	1.76	1.79	3.95	4.11	4.01	11
Punjab	2.20	2.16	2.19	3.51	2.03	3.18	2.52	2.15	2.39	13
Rajasthan	5.56	7.45	6.27	5.43	7.03	5.79	5.53	7.40	6.17	7
Sikkim	0.05	0.05	0.05	0.02	0.02	0.02	0.04	0.05	0.04	31
Tamil Nadu	4.77	6.69	5.49	8.71	12.37	9.53	5.71	7.45	6.30	6
Tripura	0.38	0.08	0.27	0.14	0.08	0.12	0.32	0.08	0.24	23
Uttar Pradesh	17.28	13.80	15.99	14.51	10.76	13.67	16.62	13.40	15.52	1
West Bengal	8.61	4.24	6.99	8.85	8.47	8.77	8.67	4.80	7.35	4
Jharkhand	2.61	2.61	2.61	1.28	1.14	1.25	2.29	2.42	2.34	14
Chhattisgarh	2.54	3.69	2.97	1.16	1.54	1.24	2.21	3.41	2.62	12
Uttaranchal	0.74	1.16	0.90	0.69	0.55	0.66	0.73	1.08	0.85	18
A&N	0.02	0.01	0.02	0.02	0.02	0.02	0.02	0.02	0.02	32
Chandigarh	0.02	0.00	0.01	0.21	0.14	0.19	0.06	0.02	0.05	30
D&N	0.01	0.03	0.02	0.01	0.01	0.01	0.01	0.03	0.02	33
D&D	0.01	0.00	0.01	0.02	0.03	0.02	0.01	0.01	0.01	34
Delhi	0.11	0.02	0.08	4.02	1.45	3.44	1.04	0.21	0.76	19
Lakshadweep	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	35
Pondicherry	0.03	0.05	0.04	0.16	0.20	0.17	0.06	0.07	0.06	29
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	

Source: ibid

Annex – 3.13**Indices of share of Informal Sector workers by State, 2004-05**

State	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Andhra Pradesh	1.01	1.00	1.01	1.03	1.10	1.06	1.02	1.02	1.02
Arunachal Pradesh	0.93	1.01	0.97	0.68	0.74	0.69	0.94	1.02	0.98
Assam	0.98	0.87	0.94	0.93	0.83	0.91	1.02	0.88	0.98
Bihar	1.08	1.04	1.06	1.18	1.25	1.18	1.14	1.08	1.11
Goa	0.77	0.75	0.76	0.72	0.83	0.75	0.72	0.74	0.72
Gujarat	0.97	1.02	0.99	0.90	0.96	0.91	0.93	1.01	0.96
Haryana	0.92	1.03	0.96	1.00	0.97	0.99	0.94	1.02	0.97
Himachal Pradesh	0.91	1.00	0.96	0.61	0.66	0.62	0.91	1.01	0.97
Jammu & Kashmir	0.91	1.00	0.93	0.98	1.02	0.99	0.93	1.01	0.95
Karnataka	1.01	0.99	1.00	1.04	0.97	1.02	1.01	0.99	1.00
Kerala	0.70	0.67	0.68	0.97	0.81	0.93	0.76	0.68	0.73
Madhya Pradesh	1.04	1.01	1.03	1.01	0.97	1.00	1.04	1.01	1.03
Maharashtra	0.99	1.02	1.01	0.91	0.93	0.91	0.92	0.99	0.95
Manipur	0.97	1.02	0.99	0.96	1.04	1.00	0.98	1.01	1.00
Meghalaya	0.97	0.97	0.98	0.74	0.56	0.67	0.99	0.95	0.98
Mizoram	1.01	1.03	1.02	0.87	1.06	0.96	0.94	1.00	0.97
Nagaland	0.90	1.02	0.96	0.89	1.07	0.96	0.89	1.02	0.96
Orissa	1.02	1.01	1.01	0.97	0.99	0.98	1.05	1.03	1.04
Punjab	0.97	1.02	0.99	1.10	0.85	1.05	0.99	0.99	0.99
Rajasthan	1.02	1.02	1.03	1.13	1.19	1.15	1.05	1.05	1.06
Sikkim	0.83	0.91	0.86	0.82	0.70	0.80	0.86	0.92	0.88
Tamil Nadu	0.96	0.97	0.97	0.96	0.94	0.96	0.92	0.94	0.94
Tripura	0.97	0.85	0.94	0.89	0.67	0.85	1.00	0.82	0.96
Uttar Pradesh	1.05	1.04	1.04	1.15	1.17	1.15	1.08	1.06	1.07
West Bengal	1.01	0.95	0.99	1.02	1.13	1.04	1.01	0.97	0.99
Jharkhand	0.99	1.02	1.00	0.91	0.88	0.90	1.01	1.03	1.01
Chhattisgarh	1.01	1.03	1.02	0.88	1.06	0.92	1.02	1.05	1.04
Uttaranchal	0.98	1.05	1.02	0.93	0.93	0.93	0.97	1.05	1.01
A&N	0.72	0.79	0.74	0.48	0.63	0.51	0.63	0.74	0.65
Chandigarh	0.85	0.97	0.85	0.67	0.55	0.64	0.59	0.46	0.56
D&N	0.56	0.87	0.69	0.73	1.11	0.81	0.60	0.90	0.73
D&D	0.72	0.67	0.71	0.77	0.94	0.83	0.72	0.73	0.72
Delhi	0.81	0.93	0.81	0.90	0.67	0.87	0.75	0.57	0.71
Lakshadweep	0.56	0.33	0.54	0.40	0.60	0.44	0.49	0.45	0.48
Pondicherry	0.83	0.93	0.87	0.81	0.94	0.84	0.74	0.87	0.78
Total	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Source: ibid

Annex – 3.14**Percentage Distribution of Informal Sector Workers by Area and sex, 2004-05 (Per cent)**

State	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Andhra Pradesh	44.55	36.46	81.01	13.16	5.83	18.99	57.71	42.29	100.00
Arunachal Pradesh	51.75	42.42	94.17	4.49	1.35	5.83	56.23	43.77	100.00
Assam	71.07	21.72	92.79	6.14	1.06	7.21	77.22	22.78	100.00
Bihar	72.91	19.20	92.11	6.93	0.96	7.89	79.84	20.16	100.00
Goa	44.42	18.71	63.14	26.08	10.79	36.86	70.50	29.50	100.00
Gujarat	44.52	32.39	76.91	18.41	4.68	23.09	62.93	37.07	100.00
Haryana	48.07	30.60	78.67	17.53	3.80	21.33	65.61	34.39	100.00
Himachal Pradesh	46.06	49.04	95.10	3.68	1.22	4.90	49.74	50.26	100.00
Jammu & Kashmir	52.91	26.69	79.61	16.93	3.46	20.39	69.84	30.16	100.00
Karnataka	44.90	32.53	77.43	17.56	5.02	22.57	62.46	37.54	100.00
Kerala	49.52	24.70	74.23	19.46	6.31	25.77	68.99	31.01	100.00
Madhya Pradesh	51.67	31.80	83.47	13.03	3.49	16.53	64.70	35.30	100.00
Maharashtra	38.67	32.72	71.40	21.60	7.00	28.60	60.27	39.73	100.00
Manipur	48.25	33.32	81.57	11.88	6.55	18.43	60.13	39.87	100.00
Meghalaya	50.72	42.71	93.42	4.10	2.48	6.58	54.82	45.18	100.00
Mizoram	41.83	29.18	71.01	16.80	12.19	28.99	58.63	41.37	100.00
Nagaland	39.19	39.16	78.35	13.47	8.18	21.65	52.65	47.35	100.00
Orissa	57.82	33.14	90.96	7.05	1.99	9.04	64.87	35.13	100.00
Punjab	46.23	26.86	73.09	23.06	3.85	26.91	69.29	30.71	100.00
Rajasthan	45.19	35.84	81.03	13.81	5.16	18.97	59.00	41.00	100.00
Sikkim	58.14	33.58	91.72	6.68	1.60	8.28	64.82	35.18	100.00
Tamil Nadu	37.94	31.51	69.45	21.67	8.88	30.55	59.60	40.40	100.00
Tripura	79.07	10.43	89.50	9.06	1.44	10.50	88.13	11.87	100.00
Uttar Pradesh	55.80	26.39	82.20	14.67	3.14	17.80	70.47	29.53	100.00
West Bengal	58.75	17.12	75.87	18.91	5.22	24.13	77.66	22.34	100.00
Jharkhand	55.99	33.18	89.17	8.62	2.21	10.83	64.61	35.39	100.00
Chhattisgarh	48.61	41.81	90.42	6.92	2.67	9.58	55.52	44.48	100.00
Uttaranchal	43.69	40.64	84.33	12.72	2.95	15.67	56.41	43.59	100.00
A&N	54.95	22.69	77.65	16.90	5.46	22.35	71.85	28.15	100.00
Chandigarh	16.20	1.09	17.29	69.05	13.66	82.71	85.25	14.75	100.00
D&N	42.15	47.86	90.02	7.09	2.90	9.98	49.24	50.76	100.00
D&D	51.57	11.27	62.85	24.04	13.11	37.15	75.61	24.39	100.00
Delhi	7.33	0.61	7.95	83.37	8.68	92.05	90.71	9.29	100.00
Lakshadweep	64.03	2.24	66.27	24.45	9.29	33.73	88.48	11.52	100.00
Pondicherry	26.31	20.73	47.04	39.20	13.76	52.96	65.52	34.48	100.00
Total	50.11	29.68	79.79	15.69	4.53	20.21	65.79	34.21	100.00

Source: ibid

Annex – 3.15**Indices of Shares of Informal Sector Workers by Sector and Sex, 2004-05**

State	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Andhra Pradesh	1.03	1.07	1.05	0.80	0.93	0.84	0.97	1.05	1.00
Arunachal Pradesh	0.99	1.13	1.05	0.55	0.65	0.57	0.93	1.10	1.00
Assam	1.05	0.97	1.03	0.75	0.73	0.75	1.01	0.96	1.00
Bihar	1.01	1.03	1.01	0.84	0.96	0.86	0.99	1.02	1.00
Goa	1.11	1.14	1.12	0.79	1.00	0.84	0.97	1.08	1.00
Gujarat	1.06	1.16	1.10	0.75	0.86	0.77	0.94	1.11	1.00
Haryana	1.00	1.16	1.06	0.82	0.87	0.83	0.95	1.12	1.00
Himachal Pradesh	0.98	1.13	1.05	0.50	0.59	0.52	0.91	1.10	1.00
Jammu & Kashmir	1.00	1.16	1.05	0.83	0.93	0.84	0.95	1.13	1.00
Karnataka	1.06	1.08	1.07	0.82	0.84	0.83	0.98	1.04	1.00
Kerala	0.99	0.99	0.99	1.05	0.95	1.03	1.01	0.98	1.00
Madhya Pradesh	1.05	1.07	1.06	0.77	0.81	0.78	0.98	1.04	1.00
Maharashtra	1.09	1.18	1.13	0.76	0.84	0.78	0.94	1.10	1.00
Manipur	1.02	1.12	1.06	0.76	0.90	0.81	0.96	1.08	1.00
Meghalaya	1.04	1.09	1.06	0.60	0.49	0.55	0.98	1.02	1.00
Mizoram	1.09	1.16	1.12	0.72	0.95	0.80	0.95	1.09	1.00
Nagaland	0.99	1.16	1.07	0.74	0.96	0.81	0.91	1.12	1.00
Orissa	1.02	1.06	1.03	0.74	0.82	0.76	0.98	1.04	1.00
Punjab	1.03	1.13	1.06	0.88	0.74	0.86	0.98	1.06	1.00
Rajasthan	1.01	1.06	1.03	0.85	0.97	0.88	0.97	1.05	1.00
Sikkim	0.99	1.13	1.03	0.74	0.69	0.73	0.95	1.10	1.00
Tamil Nadu	1.07	1.14	1.10	0.81	0.87	0.83	0.96	1.07	1.00
Tripura	1.06	0.97	1.05	0.74	0.60	0.72	1.01	0.90	1.00
Uttar Pradesh	1.02	1.06	1.04	0.85	0.94	0.86	0.98	1.05	1.00
West Bengal	1.06	1.05	1.06	0.81	0.99	0.85	0.99	1.03	1.00
Jharkhand	1.02	1.11	1.05	0.71	0.75	0.72	0.96	1.07	1.00
Chhattisgarh	1.01	1.08	1.04	0.67	0.88	0.72	0.95	1.07	1.00
Uttaranchal	1.02	1.13	1.07	0.73	0.79	0.74	0.94	1.10	1.00
A&N	1.16	1.33	1.21	0.58	0.83	0.63	0.94	1.19	1.00
Chandigarh	1.59	1.90	1.61	0.95	0.84	0.93	1.02	0.88	1.00
D&N	0.81	1.30	1.01	0.80	1.32	0.90	0.81	1.30	1.00
D&D	1.05	1.01	1.04	0.85	1.13	0.93	0.98	1.07	1.00
Delhi	1.20	1.43	1.21	1.01	0.82	0.99	1.02	0.84	1.00
Lakshadweep	1.23	0.76	1.21	0.67	1.09	0.75	1.00	1.00	1.00
Pondicherry	1.12	1.30	1.20	0.83	1.04	0.87	0.92	1.18	1.00
Total	1.05	1.09	1.06	0.79	0.86	0.81	0.97	1.06	1.00

Source: *ibid*

Annex – 3.16**Estimates of Informal Agriculture Sector Workers by State, 2004-05 (in 000)**

State	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Andhra Pradesh	11475	10749	22224	451	443	894	11926	11193	23118
Arunachal Pradesh	153	141	294	2	3	4	155	143	298
Assam	4539	1712	6250	35	11	46	4574	1723	6297
Bihar	13223	3920	17143	333	113	446	13556	4033	17589
Goa	53	27	80	6	3	9	60	29	89
Gujarat	7288	6207	13495	248	212	460	7537	6419	13956
Haryana	2276	2291	4567	144	123	267	2420	2414	4834
Himachal Pradesh	797	1367	2164	7	20	27	804	1387	2191
Jammu & Kashmir	828	583	1411	52	42	94	880	626	1506
Karnataka	8414	6646	15060	328	253	581	8742	6898	15641
Kerala	987	1076	2063	144	99	243	1131	1175	2306
Madhya Pradesh	11226	7555	18781	418	296	714	11644	7852	19495
Maharashtra	12259	12210	24469	597	570	1167	12856	12780	25635
Manipur	287	180	467	41	14	55	328	194	522
Meghalaya	413	352	765	2	1	2	415	352	767
Mizoram	118	83	201	28	20	47	145	103	248
Nagaland	112	123	235	4	10	14	116	133	249
Orissa	6564	4086	10650	166	120	286	6730	4205	10935
Punjab	2694	2334	5028	112	87	200	2806	2421	5228
Rajasthan	7172	8078	15249	299	478	777	7470	8556	16026
Sikkim	74	49	123	0	0	0	74	49	124
Tamil Nadu	6223	6159	12382	425	362	788	6648	6521	13170
Tripura	346	51	396	6	0	7	352	51	403
Uttar Pradesh	23982	14215	38197	820	585	1406	24802	14800	39603
West Bengal	11492	2958	14450	195	47	242	11687	3005	14692
Jharkhand	3559	2697	6255	73	97	170	3631	2794	6425
Chhattisgarh	4427	4170	8596	92	103	195	4519	4272	8791
Uttaranchal	1037	1325	2362	44	48	92	1081	1373	2454
A&N	23	11	34	1	0	1	24	11	35
Chandigarh	2	1	3	1	0	1	4	1	4
D&N	18	29	47	0	1	1	19	29	48
D&D	9	4	13	4	0	4	13	4	17
Delhi	14	9	23	6	0	6	20	9	29
Lakshadweep	2	0	2	1	0	1	3	0	3
Pondicherry	46	42	88	13	5	18	58	47	106
Total	142130	101438	243568	5098	4166	9264	147229	105604	252832

Source: ibid

Annex – 3.17**Percentage Share of Informal Agriculture Sector Workers to
Total Agriculture Workers, 2004-05 (Per cent)**

State	Rural			Urban			Rural + Urban			Rank
	Male	Female	Total	Male	Female	Total	Male	Female	Total	
Andhra Pradesh	98.69	99.51	99.08	98.87	98.93	98.90	98.69	99.49	99.08	20
Arunachal Pradesh	98.11	99.35	98.70	98.85	93.26	95.18	98.12	99.23	98.65	23
Assam	91.96	83.01	89.33	95.78	98.96	96.51	91.99	83.10	89.37	32
Bihar	99.67	99.83	99.71	97.01	100.00	97.75	99.60	99.84	99.66	12
Goa	94.60	100.00	96.33	100.00	100.00	100.00	95.12	100.00	96.68	25
Gujarat	99.90	99.97	99.93	99.46	100.00	99.71	99.89	99.97	99.93	4
Haryana	99.14	99.38	99.26	94.89	99.12	96.80	98.88	99.36	99.12	18
Himachal Pradesh	98.87	99.48	99.25	99.17	100.00	99.79	98.87	99.49	99.26	17
Jammu & Kashmir	98.73	99.28	98.96	90.58	100.00	94.58	98.20	99.33	98.67	22
Karnataka	94.76	96.08	95.34	95.90	98.35	96.95	94.80	96.16	95.40	27
Kerala	39.58	62.45	48.92	41.20	55.98	46.17	39.78	61.84	48.62	34
Madhya Pradesh	99.73	99.98	99.83	95.69	100.00	97.43	99.58	99.98	99.74	11
Maharashtra	99.30	99.70	99.50	94.48	98.97	96.62	99.07	99.67	99.37	16
Manipur	99.61	99.84	99.70	95.83	100.00	96.83	99.12	99.85	99.39	15
Meghalaya	94.01	93.27	93.67	82.65	100.00	87.47	93.96	93.28	93.65	30
Mizoram	99.65	100.00	99.79	99.65	99.94	99.77	99.65	99.99	99.79	7
Nagaland	99.66	99.69	99.67	93.79	100.00	98.23	99.46	99.71	99.59	13
Orissa	99.85	99.76	99.81	98.39	99.20	98.73	99.81	99.75	99.79	8
Punjab	98.87	98.86	98.86	96.94	100.00	98.26	98.79	98.91	98.84	21
Rajasthan	99.96	99.87	99.91	96.40	99.72	98.42	99.81	99.86	99.84	6
Sikkim	98.88	99.43	99.10	100.00	0.00	100.00	98.88	99.43	99.10	19
Tamil Nadu	97.14	97.89	97.52	83.26	83.65	83.44	96.12	96.98	96.54	26
Tripura	95.88	85.47	94.41	96.09	100.00	96.33	95.89	85.58	94.44	29
Uttar Pradesh	99.91	99.96	99.93	99.33	100.00	99.61	99.89	99.97	99.92	5
West Bengal	96.03	90.54	94.85	91.67	83.49	89.95	95.95	90.42	94.77	28
Jharkhand	100.00	99.99	99.99	86.14	97.34	92.20	99.68	99.89	99.77	10
Chhattisgarh	99.70	100.00	99.85	94.11	98.90	96.58	99.58	99.97	99.77	9
Uttaranchal	99.32	100.00	99.70	90.98	100.00	95.46	98.95	100.00	99.53	14
A&N	87.95	86.65	87.53	89.49	0.00	89.49	88.02	86.65	87.59	33
Chandigarh	100.00	100.00	100.00	100.00	0.00	100.00	100.00	100.00	100.00	1
D&N	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	2
D&D	90.18	84.28	88.20	98.34	0.00	98.34	92.71	84.28	90.54	31
Delhi	100.00	100.00	100.00	100.00	0.00	100.00	100.00	100.00	100.00	3
Lakshadweep	48.69	2.66	45.83	40.92	39.98	40.87	45.89	14.45	44.05	35
Pondicherry	100.00	100.00	100.00	87.75	93.41	89.36	97.07	99.21	98.01	24
Total	97.58	98.14	97.81	91.74	95.84	93.54	97.36	98.04	97.65	

Source: ibid

Annex – 3.18**Percentage Distribution of Informal Agriculture Sector Workers by State, 2004-05 (Per cent)**

State	Rural			Urban			Rural + Urban			Rank
	Male	Female	Total	Male	Female	Total	Male	Female	Total	
Andhra Pradesh	8.07	10.60	9.12	8.84	10.64	9.65	8.10	10.60	9.14	3
Arunachal Pradesh	0.11	0.14	0.12	0.03	0.07	0.05	0.10	0.14	0.12	24
Assam	3.19	1.69	2.57	0.69	0.26	0.50	3.11	1.63	2.49	14
Bihar	9.30	3.86	7.04	6.54	2.71	4.82	9.21	3.82	6.96	5
Goa	0.04	0.03	0.03	0.12	0.06	0.09	0.04	0.03	0.04	29
Gujarat	5.13	6.12	5.54	4.87	5.09	4.97	5.12	6.08	5.52	9
Haryana	1.60	2.26	1.88	2.81	2.96	2.88	1.64	2.29	1.91	16
Himachal Pradesh	0.56	1.35	0.89	0.13	0.49	0.29	0.55	1.31	0.87	19
Jammu & Kashmir	0.58	0.58	0.58	1.02	1.02	1.02	0.60	0.59	0.60	20
Karnataka	5.92	6.55	6.18	6.44	6.06	6.27	5.94	6.53	6.19	7
Kerala	0.69	1.06	0.85	2.82	2.38	2.62	0.77	1.11	0.91	18
Madhya Pradesh	7.90	7.45	7.71	8.20	7.12	7.71	7.91	7.44	7.71	4
Maharashtra	8.63	12.04	10.05	11.71	13.68	12.60	8.73	12.10	10.14	2
Manipur	0.20	0.18	0.19	0.81	0.33	0.59	0.22	0.18	0.21	22
Meghalaya	0.29	0.35	0.31	0.03	0.02	0.03	0.28	0.33	0.30	21
Mizoram	0.08	0.08	0.08	0.54	0.47	0.51	0.10	0.10	0.10	26
Nagaland	0.08	0.12	0.10	0.07	0.24	0.15	0.08	0.13	0.10	25
Orissa	4.62	4.03	4.37	3.25	2.88	3.08	4.57	3.98	4.33	11
Punjab	1.90	2.30	2.06	2.20	2.10	2.15	1.91	2.29	2.07	15
Rajasthan	5.05	7.96	6.26	5.86	11.48	8.39	5.07	8.10	6.34	6
Sikkim	0.05	0.05	0.05	0.00	0.00	0.00	0.05	0.05	0.05	27
Tamil Nadu	4.38	6.07	5.08	8.34	8.69	8.50	4.52	6.18	5.21	10
Tripura	0.24	0.05	0.16	0.12	0.01	0.07	0.24	0.05	0.16	23
Uttar Pradesh	16.87	14.01	15.68	16.09	14.04	15.17	16.85	14.01	15.66	1
West Bengal	8.09	2.92	5.93	3.82	1.13	2.61	7.94	2.85	5.81	8
Jharkhand	2.50	2.66	2.57	1.43	2.33	1.83	2.47	2.65	2.54	13
Chhattisgarh	3.11	4.11	3.53	1.81	2.47	2.10	3.07	4.05	3.48	12
Uttaranchal	0.73	1.31	0.97	0.86	1.15	0.99	0.73	1.30	0.97	17
A&N	0.02	0.01	0.01	0.02	0.00	0.01	0.02	0.01	0.01	31
Chandigarh	0.00	0.00	0.00	0.03	0.00	0.02	0.00	0.00	0.00	34
D&N	0.01	0.03	0.02	0.00	0.01	0.01	0.01	0.03	0.02	30
D&D	0.01	0.00	0.01	0.09	0.00	0.05	0.01	0.00	0.01	33
Delhi	0.01	0.01	0.01	0.12	0.00	0.07	0.01	0.01	0.01	32
Lakshadweep	0.00	0.00	0.00	0.02	0.00	0.01	0.00	0.00	0.00	35
Pondicherry	0.03	0.04	0.04	0.25	0.13	0.19	0.04	0.04	0.04	28
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	

Source: ibid

Annex – 3.19**Indices of Shares of Informal Agricultural Sector Workers by State, 2004-05**

State	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Andhra Pradesh	1.01	1.01	1.01	1.08	1.03	1.06	1.01	1.01	1.01
Arunachal Pradesh	1.01	1.01	1.01	1.08	0.97	1.02	1.01	1.01	1.01
Assam	0.94	0.85	0.91	1.04	1.03	1.03	0.94	0.85	0.92
Bihar	1.02	1.02	1.02	1.06	1.04	1.05	1.02	1.02	1.02
Goa	0.97	1.02	0.98	1.09	1.04	1.07	0.98	1.02	0.99
Gujarat	1.02	1.02	1.02	1.08	1.04	1.07	1.03	1.02	1.02
Haryana	1.02	1.01	1.01	1.03	1.03	1.03	1.02	1.01	1.02
Himachal Pradesh	1.01	1.01	1.01	1.08	1.04	1.07	1.02	1.01	1.02
Jammu & Kashmir	1.01	1.01	1.01	0.99	1.04	1.01	1.01	1.01	1.01
Karnataka	0.97	0.98	0.97	1.05	1.03	1.04	0.97	0.98	0.98
Kerala	0.41	0.64	0.50	0.45	0.58	0.49	0.41	0.63	0.50
Madhya Pradesh	1.02	1.02	1.02	1.04	1.04	1.04	1.02	1.02	1.02
Maharashtra	1.02	1.02	1.02	1.03	1.03	1.03	1.02	1.02	1.02
Manipur	1.02	1.02	1.02	1.04	1.04	1.04	1.02	1.02	1.02
Meghalaya	0.96	0.95	0.96	0.90	1.04	0.94	0.97	0.95	0.96
Mizoram	1.02	1.02	1.02	1.09	1.04	1.07	1.02	1.02	1.02
Nagaland	1.02	1.02	1.02	1.02	1.04	1.05	1.02	1.02	1.02
Orissa	1.02	1.02	1.02	1.07	1.04	1.06	1.03	1.02	1.02
Punjab	1.01	1.01	1.01	1.06	1.04	1.05	1.01	1.01	1.01
Rajasthan	1.02	1.02	1.02	1.05	1.04	1.05	1.03	1.02	1.02
Sikkim	1.01	1.01	1.01	1.09	0.00	1.07	1.02	1.01	1.01
Tamil Nadu	1.00	1.00	1.00	0.91	0.87	0.89	0.99	0.99	0.99
Tripura	0.98	0.87	0.97	1.05	1.04	1.03	0.98	0.87	0.97
Uttar Pradesh	1.02	1.02	1.02	1.08	1.04	1.06	1.03	1.02	1.02
West Bengal	0.98	0.92	0.97	1.00	0.87	0.96	0.99	0.92	0.97
Jharkhand	1.02	1.02	1.02	0.94	1.02	0.99	1.02	1.02	1.02
Chhattisgarh	1.02	1.02	1.02	1.03	1.03	1.03	1.02	1.02	1.02
Uttaranchal	1.02	1.02	1.02	0.99	1.04	1.02	1.02	1.02	1.02
A&N	0.90	0.88	0.89	0.98	0.00	0.96	0.90	0.88	0.90
Chandigarh	1.02	1.02	1.02	1.09	0.00	1.07	1.03	1.02	1.02
D&N	1.02	1.02	1.02	1.09	1.04	1.07	1.03	1.02	1.02
D&D	0.92	0.86	0.90	1.07	0.00	1.05	0.95	0.86	0.93
Delhi	1.02	1.02	1.02	1.09	0.00	1.07	1.03	1.02	1.02
Lakshadweep	0.50	0.03	0.47	0.45	0.42	0.44	0.47	0.15	0.45
Pondicherry	1.02	1.02	1.02	0.96	0.97	0.96	1.00	1.01	1.00
Total	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Source: ibid

Annex – 3.20**Percentage Distribution of Informal Agriculture Sector Workers by Area and Sex, 2004-05
(Per cent)**

State	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Andhra Pradesh	49.64	46.50	96.13	1.95	1.92	3.87	51.58	48.42	100.00
Arunachal Pradesh	51.36	47.20	98.55	0.52	0.93	1.45	51.87	48.13	100.00
Assam	72.08	27.18	99.27	0.56	0.17	0.73	72.64	27.36	100.00
Bihar	75.18	22.29	97.46	1.90	0.64	2.54	77.07	22.93	100.00
Goa	60.19	30.13	90.32	6.85	2.83	9.68	67.04	32.96	100.00
Gujarat	52.22	44.48	96.70	1.78	1.52	3.30	54.00	46.00	100.00
Haryana	47.09	47.40	94.48	2.97	2.55	5.52	50.06	49.94	100.00
Himachal Pradesh	36.37	62.40	98.77	0.30	0.93	1.23	36.68	63.32	100.00
Jammu & Kashmir	54.99	38.75	93.73	3.45	2.82	6.27	58.44	41.56	100.00
Karnataka	53.80	42.49	96.29	2.10	1.61	3.71	55.89	44.11	100.00
Kerala	42.81	46.65	89.46	6.24	4.29	10.54	49.06	50.94	100.00
Madhya Pradesh	57.58	38.75	96.34	2.14	1.52	3.66	59.73	40.27	100.00
Maharashtra	47.82	47.63	95.45	2.33	2.22	4.55	50.15	49.85	100.00
Manipur	55.00	34.50	89.50	7.89	2.62	10.50	62.89	37.11	100.00
Meghalaya	53.86	45.84	99.69	0.21	0.10	0.31	54.07	45.93	100.00
Mizoram	47.48	33.45	80.93	11.12	7.95	19.07	58.60	41.40	100.00
Nagaland	44.97	49.57	94.55	1.48	3.97	5.45	46.46	53.54	100.00
Orissa	60.03	37.36	97.39	1.51	1.10	2.61	61.54	38.46	100.00
Punjab	51.54	44.65	96.18	2.15	1.67	3.82	53.68	46.32	100.00
Rajasthan	44.75	50.40	95.15	1.87	2.98	4.85	46.61	53.39	100.00
Sikkim	60.02	39.95	99.97	0.03	0.00	0.03	60.05	39.95	100.00
Tamil Nadu	47.25	46.77	94.02	3.23	2.75	5.98	50.48	49.52	100.00
Tripura	85.75	12.60	98.35	1.54	0.11	1.65	87.29	12.71	100.00
Uttar Pradesh	60.56	35.89	96.45	2.07	1.48	3.55	62.63	37.37	100.00
West Bengal	78.22	20.13	98.35	1.33	0.32	1.65	79.55	20.45	100.00
Jharkhand	55.38	41.97	97.35	1.13	1.51	2.65	56.52	43.48	100.00
Chhattisgarh	50.35	47.43	97.78	1.05	1.17	2.22	51.40	48.60	100.00
Uttaranchal	42.25	54.01	96.26	1.79	1.94	3.74	44.05	55.95	100.00
A&N	66.34	30.49	96.82	3.18	0.00	3.18	69.51	30.49	100.00
Chandigarh	52.07	14.67	66.74	33.26	0.00	33.26	85.33	14.67	100.00
D&N	38.42	60.09	98.51	0.42	1.07	1.49	38.84	61.16	100.00
D&D	50.99	24.01	75.00	25.00	0.00	25.00	75.99	24.01	100.00
Delhi	46.85	31.80	78.65	21.35	0.00	21.35	68.20	31.80	100.00
Lakshadweep	66.53	0.24	66.77	31.55	1.67	33.23	98.09	1.91	100.00
Pondicherry	43.30	39.67	82.97	11.95	5.08	17.03	55.25	44.75	100.00
Total	56.22	40.12	96.34	2.02	1.65	3.66	58.23	41.77	100.00

Source: ibid

Annex – 3.21**Indices of Shares of Informal Agricultural Sector Workers by Sector and Sex, 2004-05**

State	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Andhra Pradesh	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arunachal Pradesh	0.99	1.01	1.00	1.00	0.95	0.96	0.99	1.01	1.00
Assam	1.03	0.93	1.00	1.07	1.11	1.08	1.03	0.93	1.00
Bihar	1.00	1.00	1.00	0.97	1.00	0.98	1.00	1.00	1.00
Goa	0.98	1.03	1.00	1.03	1.03	1.03	0.98	1.03	1.00
Gujarat	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Haryana	1.00	1.00	1.00	0.96	1.00	0.98	1.00	1.00	1.00
Himachal Pradesh	1.00	1.00	1.00	1.00	1.01	1.01	1.00	1.00	1.00
Jammu & Kashmir	1.00	1.01	1.00	0.92	1.01	0.96	1.00	1.01	1.00
Karnataka	0.99	1.01	1.00	1.01	1.03	1.02	0.99	1.01	1.00
Kerala	0.81	1.28	1.01	0.85	1.15	0.95	0.82	1.27	1.00
Madhya Pradesh	1.00	1.00	1.00	0.96	1.00	0.98	1.00	1.00	1.00
Maharashtra	1.00	1.00	1.00	0.95	1.00	0.97	1.00	1.00	1.00
Manipur	1.00	1.00	1.00	0.96	1.01	0.97	1.00	1.00	1.00
Meghalaya	1.00	1.00	1.00	0.88	1.07	0.93	1.00	1.00	1.00
Mizoram	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Nagaland	1.00	1.00	1.00	0.94	1.00	0.99	1.00	1.00	1.00
Orissa	1.00	1.00	1.00	0.99	0.99	0.99	1.00	1.00	1.00
Punjab	1.00	1.00	1.00	0.98	1.01	0.99	1.00	1.00	1.00
Rajasthan	1.00	1.00	1.00	0.97	1.00	0.99	1.00	1.00	1.00
Sikkim	1.00	1.00	1.00	1.01	0.00	1.01	1.00	1.00	1.00
Tamil Nadu	1.01	1.01	1.01	0.86	0.87	0.86	1.00	1.00	1.00
Tripura	1.02	0.91	1.00	1.02	1.06	1.02	1.02	0.91	1.00
Uttar Pradesh	1.00	1.00	1.00	0.99	1.00	1.00	1.00	1.00	1.00
West Bengal	1.01	0.96	1.00	0.97	0.88	0.95	1.01	0.95	1.00
Jharkhand	1.00	1.00	1.00	0.86	0.98	0.92	1.00	1.00	1.00
Chhattisgarh	1.00	1.00	1.00	0.94	0.99	0.97	1.00	1.00	1.00
Uttaranchal	1.00	1.00	1.00	0.91	1.00	0.96	0.99	1.00	1.00
A&N	1.00	0.99	1.00	1.02	0.00	1.02	1.00	0.99	1.00
Chandigarh	1.00	1.00	1.00	1.00	0.00	1.00	1.00	1.00	1.00
D&N	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
D&D	1.00	0.93	0.97	1.09	0.00	1.09	1.02	0.93	1.00
Delhi	1.00	1.00	1.00	1.00	0.00	1.00	1.00	1.00	1.00
Lakshadweep	1.11	0.06	1.04	0.93	0.91	0.93	1.04	0.33	1.00
Pondicherry	1.02	1.02	1.02	0.90	0.95	0.91	0.99	1.01	1.00
Total	1.00	1.01	1.00	0.94	0.98	0.96	1.00	1.00	1.00

Source: ibid

Annex – 3.22**Estimates of Informal Industrial Sector Workers by State, 2004-05 (in 000)**

State	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Andhra Pradesh	1743	1116	2859	1347	580	1927	3090	1696	4786
Arunachal Pradesh	6	2	8	2	0	2	7	2	10
Assam	340	89	429	97	12	109	437	101	538
Bihar	1313	353	1666	315	36	350	1627	389	2016
Goa	19	3	22	18	2	21	37	6	43
Gujarat	707	332	1039	1265	342	1607	1972	675	2646
Haryana	728	85	813	383	61	444	1111	146	1257
Himachal Pradesh	318	33	351	22	2	25	340	36	376
Jammu & Kashmir	232	53	284	160	33	193	392	86	478
Karnataka	863	619	1482	1327	357	1684	2190	976	3166
Kerala	1393	527	1920	524	179	703	1917	707	2624
Madhya Pradesh	976	441	1417	901	277	1178	1877	718	2595
Maharashtra	1284	419	1704	2478	843	3321	3762	1262	5024
Manipur	32	46	78	17	18	35	49	64	113
Meghalaya	34	22	56	9	1	10	43	23	66
Mizoram	3	1	4	8	3	11	11	4	15
Nagaland	4	4	8	5	4	9	9	8	16
Orissa	1209	927	2136	256	58	313	1465	985	2450
Punjab	903	92	995	774	120	894	1678	212	1889
Rajasthan	2321	497	2818	1197	517	1713	3518	1014	4531
Sikkim	11	1	13	3	0	3	15	1	16
Tamil Nadu	1740	1117	2856	1849	890	2739	3588	2006	5595
Tripura	110	12	123	15	3	18	125	15	140
Uttar Pradesh	5219	1302	6521	3161	875	4036	8379	2178	10557
West Bengal	2061	1525	3586	1662	625	2287	3723	2150	5873
Jharkhand	975	295	1270	164	32	197	1139	328	1467
Chhattisgarh	243	96	340	152	64	217	396	161	556
Uttaranchal	208	23	231	117	18	135	325	41	366
A&N	6	1	7	3	1	4	8	2	10
Chandigarh	15	1	16	35	3	39	50	5	55
D&N	3	1	4	1	0	1	4	1	5
D&D	2	0	2	0	1	1	2	1	3
Delhi	84	0	84	850	83	933	934	83	1017
Lakshadweep	3	0	3	1	1	1	4	1	4
Pondicherry	7	6	13	24	9	34	31	15	46
Total	25111	10045	35157	19143	6051	25194	44254	16096	60351

Source: ibid

Annex – 3.23**Percentage Share of Informal Industrial Sector Workers to Total Industrial Workers, 2004-05 (Per cent)**

State	Rural			Urban			Rural + Urban			Rank
	Male	Female	Total	Male	Female	Total	Male	Female	Total	
Andhra Pradesh	68.49	69.96	69.06	65.04	84.14	69.81	66.94	74.24	69.36	16
Arunachal Pradesh	38.87	49.65	41.52	33.21	12.74	31.58	37.52	46.81	39.49	31
Assam	74.13	83.28	75.86	53.73	91.29	56.27	68.35	84.16	70.85	14
Bihar	88.86	95.56	90.20	80.79	99.73	82.38	87.17	95.93	88.74	2
Goa	68.91	33.14	58.98	34.62	21.44	32.34	46.27	27.13	42.22	30
Gujarat	45.95	72.33	52.01	44.03	63.04	47.05	44.70	67.29	48.88	28
Haryana	61.74	80.05	63.25	49.72	75.69	52.17	56.99	78.17	58.84	25
Himachal Pradesh	68.94	65.32	68.58	21.21	13.95	20.22	60.02	52.61	59.23	24
Jammu & Kashmir	67.17	79.44	69.15	68.51	94.49	71.94	67.71	84.68	70.25	15
Karnataka	84.41	90.42	86.82	70.29	71.09	70.46	75.25	82.24	77.27	6
Kerala	75.70	68.71	73.64	70.04	75.75	71.41	74.06	70.37	73.03	12
Madhya Pradesh	68.89	59.55	65.68	62.91	69.41	64.33	65.88	63.00	65.06	20
Maharashtra	59.42	69.16	61.55	50.44	68.99	54.13	53.18	69.04	56.44	26
Manipur	87.88	99.14	94.24	88.76	98.03	93.25	88.19	98.83	93.93	1
Meghalaya	65.57	94.15	74.38	63.40	27.29	57.99	65.09	87.40	71.31	13
Mizoram	88.56	89.25	88.72	78.27	90.69	81.28	80.87	90.35	83.13	4
Nagaland	49.59	83.50	61.84	59.33	91.50	70.18	54.54	87.36	66.00	18
Orissa	74.58	85.93	79.12	53.41	70.80	55.93	69.75	84.87	75.13	10
Punjab	75.06	91.43	76.32	73.18	82.98	74.35	74.18	86.45	75.38	9
Rajasthan	81.89	72.08	79.97	80.38	94.94	84.28	81.37	82.16	81.54	5
Sikkim	50.82	42.95	49.83	72.63	0.00	65.91	54.63	37.36	52.55	27
Tamil Nadu	69.91	78.79	73.13	58.76	69.34	61.82	63.68	74.30	67.12	17
Tripura	78.03	66.03	76.62	73.11	66.36	71.87	77.42	66.09	75.99	8
Uttar Pradesh	82.97	95.88	85.26	78.18	95.94	81.45	81.09	95.90	83.76	3
West Bengal	76.99	93.15	83.12	60.45	94.38	67.03	68.61	93.50	76.02	7
Jharkhand	69.53	83.10	72.27	38.15	34.83	37.56	62.15	73.08	64.30	21
Chhattisgarh	45.36	51.24	46.89	44.56	73.55	50.49	45.05	58.35	48.23	29
Uttaranchal	76.48	91.30	77.76	68.26	93.47	70.79	73.29	92.23	75.03	11
A&N	37.25	57.91	39.48	29.31	60.04	33.28	34.10	58.86	36.98	33
Chandigarh	87.33	98.47	88.02	53.18	57.18	53.51	60.03	63.61	60.31	23
D&N	13.02	14.41	13.39	21.66	50.00	22.13	14.39	14.73	14.47	35
D&D	18.88	0.00	15.91	7.10	45.47	19.49	15.22	24.31	17.19	34
Delhi	93.49	#DIV/0!	93.49	62.91	81.17	64.19	64.81	81.17	65.90	19
Lakshadweep	63.08	60.55	62.92	41.41	79.05	55.17	58.39	73.61	60.68	22
Pondicherry	30.09	50.15	36.43	32.30	63.68	37.48	31.76	57.86	37.18	32
Total	73.31	80.10	75.13	61.43	77.84	64.71	67.65	79.23	70.40	

Source: ibid

Annex – 3.24**Percentage Distribution of Informal Industrial Sector Workers by State, 2004-05 (Per cent)**

State	Rural			Urban			Rural + Urban			Rank
	Male	Female	Total	Male	Female	Total	Male	Female	Total	
Andhra Pradesh	6.94	11.11	8.13	7.03	9.58	7.65	6.98	10.54	7.93	5
Arunachal Pradesh	0.02	0.02	0.02	0.01	0.00	0.01	0.02	0.01	0.02	32
Assam	1.35	0.89	1.22	0.51	0.20	0.43	0.99	0.63	0.89	18
Bihar	5.23	3.51	4.74	1.64	0.59	1.39	3.68	2.41	3.34	12
Goa	0.07	0.03	0.06	0.10	0.04	0.08	0.08	0.04	0.07	27
Gujarat	2.81	3.31	2.96	6.61	5.66	6.38	4.46	4.19	4.38	8
Haryana	2.90	0.85	2.31	2.00	1.00	1.76	2.51	0.91	2.08	15
Himachal Pradesh	1.27	0.33	1.00	0.12	0.04	0.10	0.77	0.22	0.62	20
Jammu & Kashmir	0.92	0.53	0.81	0.84	0.55	0.77	0.88	0.54	0.79	19
Karnataka	3.44	6.16	4.21	6.93	5.90	6.69	4.95	6.06	5.25	7
Kerala	5.55	5.25	5.46	2.74	2.96	2.79	4.33	4.39	4.35	9
Madhya Pradesh	3.89	4.39	4.03	4.71	4.57	4.68	4.24	4.46	4.30	10
Maharashtra	5.11	4.17	4.85	12.94	13.93	13.18	8.50	7.84	8.33	4
Manipur	0.13	0.46	0.22	0.09	0.30	0.14	0.11	0.40	0.19	23
Meghalaya	0.14	0.22	0.16	0.05	0.01	0.04	0.10	0.14	0.11	24
Mizoram	0.01	0.01	0.01	0.04	0.05	0.04	0.03	0.02	0.03	30
Nagaland	0.02	0.04	0.02	0.03	0.06	0.03	0.02	0.05	0.03	28
Orissa	4.81	9.23	6.08	1.34	0.95	1.24	3.31	6.12	4.06	11
Punjab	3.60	0.92	2.83	4.05	1.98	3.55	3.79	1.31	3.13	13
Rajasthan	9.24	4.95	8.02	6.25	8.54	6.80	7.95	6.30	7.51	6
Sikkim	0.05	0.01	0.04	0.02	0.00	0.01	0.03	0.01	0.03	29
Tamil Nadu	6.93	11.11	8.12	9.66	14.71	10.87	8.11	12.46	9.27	3
Tripura	0.44	0.12	0.35	0.08	0.05	0.07	0.28	0.10	0.23	22
Uttar Pradesh	20.78	12.96	18.55	16.51	14.47	16.02	18.93	13.53	17.49	1
West Bengal	8.21	15.18	10.20	8.68	10.32	9.08	8.41	13.36	9.73	2
Jharkhand	3.88	2.94	3.61	0.86	0.54	0.78	2.57	2.04	2.43	14
Chhattisgarh	0.97	0.96	0.97	0.79	1.07	0.86	0.89	1.00	0.92	17
Uttaranchal	0.83	0.23	0.66	0.61	0.30	0.54	0.73	0.26	0.61	21
A&N	0.02	0.01	0.02	0.02	0.01	0.01	0.02	0.01	0.02	31
Chandigarh	0.06	0.01	0.04	0.19	0.06	0.15	0.11	0.03	0.09	25
D&N	0.01	0.01	0.01	0.00	0.00	0.00	0.01	0.01	0.01	33
D&D	0.01	0.00	0.00	0.00	0.01	0.00	0.00	0.01	0.00	35
Delhi	0.33	0.00	0.24	4.44	1.37	3.70	2.11	0.52	1.68	16
Lakshadweep	0.01	0.00	0.01	0.00	0.01	0.00	0.01	0.01	0.01	34
Pondicherry	0.03	0.06	0.04	0.13	0.16	0.13	0.07	0.09	0.08	26
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	

Source: ibid

Annex – 3.25**Indices of Shares of Informal Industrial Sector Workers by State, 2004-05**

State	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Andhra Pradesh	0.93	0.87	0.92	1.06	1.08	1.08	0.99	0.94	0.99
Arunachal Pradesh	0.53	0.62	0.55	0.54	0.16	0.49	0.55	0.59	0.56
Assam	1.01	1.04	1.01	0.87	1.17	0.87	1.01	1.06	1.01
Bihar	1.21	1.19	1.20	1.32	1.28	1.27	1.29	1.21	1.26
Goa	0.94	0.41	0.79	0.56	0.28	0.50	0.68	0.34	0.60
Gujarat	0.63	0.90	0.69	0.72	0.81	0.73	0.66	0.85	0.69
Haryana	0.84	1.00	0.84	0.81	0.97	0.81	0.84	0.99	0.84
Himachal Pradesh	0.94	0.82	0.91	0.35	0.18	0.31	0.89	0.66	0.84
Jammu & Kashmir	0.92	0.99	0.92	1.12	1.21	1.11	1.00	1.07	1.00
Karnataka	1.15	1.13	1.16	1.14	0.91	1.09	1.11	1.04	1.10
Kerala	1.03	0.86	0.98	1.14	0.97	1.10	1.09	0.89	1.04
Madhya Pradesh	0.94	0.74	0.87	1.02	0.89	0.99	0.97	0.80	0.92
Maharashtra	0.81	0.86	0.82	0.82	0.89	0.84	0.79	0.87	0.80
Manipur	1.20	1.24	1.25	1.44	1.26	1.44	1.30	1.25	1.33
Meghalaya	0.89	1.18	0.99	1.03	0.35	0.90	0.96	1.10	1.01
Mizoram	1.21	1.11	1.18	1.27	1.17	1.26	1.20	1.14	1.18
Nagaland	0.68	1.04	0.82	0.97	1.18	1.08	0.81	1.10	0.94
Orissa	1.02	1.07	1.05	0.87	0.91	0.86	1.03	1.07	1.07
Punjab	1.02	1.14	1.02	1.19	1.07	1.15	1.10	1.09	1.07
Rajasthan	1.12	0.90	1.06	1.31	1.22	1.30	1.20	1.04	1.16
Sikkim	0.69	0.54	0.66	1.18	0.00	1.02	0.81	0.47	0.75
Tamil Nadu	0.95	0.98	0.97	0.96	0.89	0.96	0.94	0.94	0.95
Tripura	1.06	0.82	1.02	1.19	0.85	1.11	1.14	0.83	1.08
Uttar Pradesh	1.13	1.20	1.13	1.27	1.23	1.26	1.20	1.21	1.19
West Bengal	1.05	1.16	1.11	0.98	1.21	1.04	1.01	1.18	1.08
Jharkhand	0.95	1.04	0.96	0.62	0.45	0.58	0.92	0.92	0.91
Chhattisgarh	0.62	0.64	0.62	0.73	0.94	0.78	0.67	0.74	0.69
Uttaranchal	1.04	1.14	1.04	1.11	1.20	1.09	1.08	1.16	1.07
A&N	0.51	0.72	0.53	0.48	0.77	0.51	0.50	0.74	0.53
Chandigarh	1.19	1.23	1.17	0.87	0.73	0.83	0.89	0.80	0.86
D&N	0.18	0.18	0.18	0.35	0.64	0.34	0.21	0.19	0.21
D&D	0.26	0.00	0.21	0.12	0.58	0.30	0.23	0.31	0.24
Delhi	1.28	0.00	1.24	1.02	1.04	0.99	0.96	1.02	0.94
Lakshadweep	0.86	0.76	0.84	0.67	1.02	0.85	0.86	0.93	0.86
Pondicherry	0.41	0.63	0.48	0.53	0.82	0.58	0.47	0.73	0.53
Total	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Source: ibid

Annex – 3.26**Percentage Distribution of Informal Industrial Sector Workers by Area and Sex,
2004-05 (Per cent)**

State	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Andhra Pradesh	36.42	23.32	59.75	28.14	12.12	40.25	64.56	35.44	100.00
Arunachal Pradesh	59.06	24.60	83.67	15.81	0.53	16.33	74.87	25.13	100.00
Assam	63.11	16.58	79.69	18.08	2.23	20.31	81.19	18.81	100.00
Bihar	65.11	17.51	82.63	15.61	1.77	17.37	80.72	19.28	100.00
Goa	43.73	8.08	51.81	42.68	5.52	48.19	86.41	13.59	100.00
Gujarat	26.71	12.55	39.26	47.80	12.94	60.74	74.51	25.49	100.00
Haryana	57.92	6.79	64.70	30.46	4.83	35.30	88.38	11.62	100.00
Himachal Pradesh	84.53	8.87	93.40	5.97	0.62	6.60	90.51	9.49	100.00
Jammu & Kashmir	48.47	11.05	59.51	33.48	7.01	40.49	81.94	18.06	100.00
Karnataka	27.25	19.55	46.80	41.92	11.28	53.20	69.17	30.83	100.00
Kerala	53.09	20.10	73.19	19.97	6.83	26.81	73.07	26.93	100.00
Madhya Pradesh	37.61	17.00	54.61	34.73	10.66	45.39	72.34	27.66	100.00
Maharashtra	25.56	8.35	33.91	49.31	16.78	66.09	74.88	25.12	100.00
Manipur	27.94	40.81	68.76	15.32	15.93	31.24	43.26	56.74	100.00
Meghalaya	51.67	33.07	84.74	14.18	1.08	15.26	65.85	34.15	100.00
Mizoram	20.46	6.14	26.60	53.56	19.84	73.40	74.02	25.98	100.00
Nagaland	24.05	22.89	46.94	29.72	23.34	53.06	53.77	46.23	100.00
Orissa	49.35	37.86	87.20	10.45	2.35	12.80	59.79	40.21	100.00
Punjab	47.81	4.87	52.67	41.00	6.33	47.33	88.80	11.20	100.00
Rajasthan	51.22	10.97	62.19	26.41	11.40	37.81	77.63	22.37	100.00
Sikkim	70.24	8.55	78.78	21.22	0.00	21.22	91.45	8.55	100.00
Tamil Nadu	31.09	19.96	51.05	33.05	15.90	48.95	64.14	35.86	100.00
Tripura	78.54	8.86	87.40	10.47	2.13	12.60	89.00	11.00	100.00
Uttar Pradesh	49.43	12.33	61.77	29.94	8.29	38.23	79.37	20.63	100.00
West Bengal	35.09	25.97	61.06	28.30	10.64	38.94	63.40	36.60	100.00
Jharkhand	66.44	20.14	86.58	11.21	2.21	13.42	77.65	22.35	100.00
Chhattisgarh	43.77	17.28	61.05	27.35	11.60	38.95	71.12	28.88	100.00
Uttaranchal	56.65	6.41	63.06	32.03	4.91	36.94	88.68	11.32	100.00
A&N	53.63	10.10	63.73	27.82	8.45	36.27	81.45	18.55	100.00
Chandigarh	26.79	2.00	28.78	64.93	6.28	71.22	91.72	8.28	100.00
D&N	58.27	22.84	81.11	18.18	0.71	18.89	76.44	23.56	100.00
D&D	59.34	0.00	59.34	10.02	30.63	40.66	69.37	30.63	100.00
Delhi	8.26	0.00	8.26	83.58	8.16	91.74	91.84	8.16	100.00
Lakshadweep	69.23	4.41	73.64	12.55	13.81	26.36	81.78	18.22	100.00
Pondicherry	15.65	12.06	27.71	52.03	20.27	72.29	67.68	32.32	100.00
Total	41.61	16.64	58.25	31.72	10.03	41.75	73.33	26.67	100.00

Source: ibid

Annex – 3.27**Indices of Shares of Informal Industrial Sector Workers by Sector and Sex, 2004-05**

State	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Andhra Pradesh	0.99	1.01	1.00	0.94	1.21	1.01	0.97	1.07	1.00
Arunachal Pradesh	0.98	1.26	1.05	0.84	0.32	0.80	0.95	1.19	1.00
Assam	1.05	1.18	1.07	0.76	1.29	0.79	0.96	1.19	1.00
Bihar	1.00	1.08	1.02	0.91	1.12	0.93	0.98	1.08	1.00
Goa	1.63	0.78	1.40	0.82	0.51	0.77	1.10	0.64	1.00
Gujarat	0.94	1.48	1.06	0.90	1.29	0.96	0.91	1.38	1.00
Haryana	1.05	1.36	1.07	0.84	1.29	0.89	0.97	1.33	1.00
Himachal Pradesh	1.16	1.10	1.16	0.36	0.24	0.34	1.01	0.89	1.00
Jammu & Kashmir	0.96	1.13	0.98	0.98	1.34	1.02	0.96	1.21	1.00
Karnataka	1.09	1.17	1.12	0.91	0.92	0.91	0.97	1.06	1.00
Kerala	1.04	0.94	1.01	0.96	1.04	0.98	1.01	0.96	1.00
Madhya Pradesh	1.06	0.92	1.01	0.97	1.07	0.99	1.01	0.97	1.00
Maharashtra	1.05	1.23	1.09	0.89	1.22	0.96	0.94	1.22	1.00
Manipur	0.94	1.06	1.00	0.94	1.04	0.99	0.94	1.05	1.00
Meghalaya	0.92	1.32	1.04	0.89	0.38	0.81	0.91	1.23	1.00
Mizoram	1.07	1.07	1.07	0.94	1.09	0.98	0.97	1.09	1.00
Nagaland	0.75	1.27	0.94	0.90	1.39	1.06	0.83	1.32	1.00
Orissa	0.99	1.14	1.05	0.71	0.94	0.74	0.93	1.13	1.00
Punjab	1.00	1.21	1.01	0.97	1.10	0.99	0.98	1.15	1.00
Rajasthan	1.00	0.88	0.98	0.99	1.16	1.03	1.00	1.01	1.00
Sikkim	0.97	0.82	0.95	1.38	0.00	1.25	1.04	0.71	1.00
Tamil Nadu	1.04	1.17	1.09	0.88	1.03	0.92	0.95	1.11	1.00
Tripura	1.03	0.87	1.01	0.96	0.87	0.95	1.02	0.87	1.00
Uttar Pradesh	0.99	1.14	1.02	0.93	1.15	0.97	0.97	1.14	1.00
West Bengal	1.01	1.23	1.09	0.80	1.24	0.88	0.90	1.23	1.00
Jharkhand	1.08	1.29	1.12	0.59	0.54	0.58	0.97	1.14	1.00
Chhattisgarh	0.94	1.06	0.97	0.92	1.53	1.05	0.93	1.21	1.00
Uttaranchal	1.02	1.22	1.04	0.91	1.25	0.94	0.98	1.23	1.00
A&N	1.01	1.57	1.07	0.79	1.62	0.90	0.92	1.59	1.00
Chandigarh	1.45	1.63	1.46	0.88	0.95	0.89	1.00	1.05	1.00
D&N	0.90	1.00	0.93	1.50	3.46	1.53	0.99	1.02	1.00
D&D	1.10	0.00	0.93	0.41	2.64	1.13	0.89	1.41	1.00
Delhi	1.42	0.00	1.42	0.95	1.23	0.97	0.98	1.23	1.00
Lakshadweep	1.04	1.00	1.04	0.68	1.30	0.91	0.96	1.21	1.00
Pondicherry	0.81	1.35	0.98	0.87	1.71	1.01	0.85	1.56	1.00
Total	1.04	1.14	1.07	0.87	1.11	0.92	0.96	1.13	1.00

Source: ibid

Annex – 3.28**Estimates of Informal Sector Workers in Services by State, 2004-05 (in 000)**

State	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Andhra Pradesh	2692	1156	3848	2904	1060	3964	5596	2216	7811
Arunachal Pradesh	19	3	22	12	2	14	32	5	36
Assam	1380	112	1492	408	71	479	1789	182	1971
Bihar	2505	214	2719	972	76	1047	3477	290	3766
Goa	44	19	62	44	23	67	87	42	129
Gujarat	1238	178	1416	2304	416	2720	3541	594	4136
Haryana	878	94	972	889	123	1012	1767	217	1985
Himachal Pradesh	221	22	243	78	13	90	299	35	333
Jammu & Kashmir	215	7	222	196	8	204	411	14	426
Karnataka	1167	302	1468	2429	557	2985	3595	858	4454
Kerala	1835	500	2335	989	259	1248	2824	759	3583
Madhya Pradesh	1115	200	1315	2040	328	2368	3155	528	3683
Maharashtra	1889	430	2319	5546	1381	6927	7435	1811	9246
Manipur	45	25	69	31	18	49	76	42	118
Meghalaya	39	36	75	28	22	51	67	58	125
Mizoram	6	5	10	15	14	29	21	19	40
Nagaland	16	4	20	37	14	50	52	18	71
Orissa	1374	229	1602	694	137	831	2068	366	2433
Punjab	766	109	875	1290	157	1446	2055	266	2321
Rajasthan	1519	160	1679	1871	262	2133	3390	422	3812
Sikkim	17	9	26	8	3	11	25	11	37
Tamil Nadu	1483	570	2053	3120	960	4080	4603	1530	6133
Tripura	289	35	325	65	10	75	354	45	399
Uttar Pradesh	4994	656	5650	5006	462	5469	10000	1119	11119
West Bengal	3490	483	3973	3628	843	4471	7117	1326	8444
Jharkhand	633	70	702	558	74	632	1191	144	1334
Chhattisgarh	361	62	423	472	109	580	833	171	1004
Uttaranchal	222	15	236	266	33	299	487	48	535
A&N	12	5	18	9	3	12	21	8	29
Chandigarh	13	0	13	90	22	112	103	22	125
D&N	8	3	11	4	1	5	12	5	16
D&D	9	0	10	5	4	9	14	4	18
Delhi	121	9	130	1632	176	1808	1753	185	1938
Lakshadweep	1	0	1	1	0	1	1	0	1
Pondicherry	14	5	20	63	20	84	78	26	104
Total	30629	5726	36354	37701	7661	45362	68330	13387	81716

Source: ibid

Annex – 3.29**Percentage Share of Informal Sector Workers in Services to Total Service Sector Workers, 2004-05 (Per cent)**

State	Rural			Urban			Rural + Urban			Rank
	Male	Female	Total	Male	Female	Total	Male	Female	Total	
Andhra Pradesh	80.80	84.48	81.87	70.40	75.85	71.78	75.05	80.12	76.42	4
Arunachal Pradesh	47.98	45.83	47.68	45.90	35.90	44.32	47.14	41.45	46.32	31
Assam	81.27	66.95	79.99	64.39	55.15	62.84	76.68	61.83	75.01	6
Bihar	90.43	86.06	90.07	76.82	81.27	77.13	86.16	84.76	86.05	1
Goa	52.24	58.39	53.93	55.24	73.20	60.39	53.70	65.79	57.10	25
Gujarat	72.89	58.70	70.74	75.48	69.01	74.42	74.56	65.57	73.12	10
Haryana	74.82	70.41	74.37	78.18	56.13	74.62	76.47	61.55	74.50	7
Himachal Pradesh	60.82	26.17	54.31	54.42	37.04	51.04	59.02	29.33	53.38	28
Jammu & Kashmir	57.53	28.40	55.76	62.35	23.85	58.81	59.73	25.82	57.18	24
Karnataka	76.31	61.93	72.84	69.20	65.72	68.52	71.36	64.34	69.89	16
Kerala	77.12	58.99	72.36	71.45	54.01	66.96	75.03	57.19	70.38	14
Madhya Pradesh	71.28	70.79	71.20	67.95	58.94	66.54	69.09	62.93	68.13	18
Maharashtra	68.07	66.39	67.75	66.83	61.62	65.72	67.14	62.69	66.22	19
Manipur	48.98	71.92	55.25	42.00	56.19	46.24	45.86	64.40	51.14	29
Meghalaya	61.59	80.65	69.48	46.43	41.69	44.21	54.13	59.37	56.44	26
Mizoram	33.75	64.55	42.60	32.42	60.43	41.77	32.78	61.38	41.98	34
Nagaland	38.43	51.63	40.72	59.13	67.11	61.11	50.89	62.55	53.46	27
Orissa	77.35	72.42	76.61	67.83	60.79	66.55	73.87	67.57	72.85	11
Punjab	72.87	63.90	71.61	75.22	45.84	70.34	74.33	51.85	70.81	13
Rajasthan	79.31	60.69	77.06	73.26	66.86	72.41	75.85	64.38	74.38	8
Sikkim	43.44	53.33	46.31	51.53	57.71	52.96	45.78	54.35	48.13	30
Tamil Nadu	73.49	70.28	72.57	68.05	66.69	67.73	69.72	67.98	69.28	17
Tripura	83.05	79.69	82.67	57.08	45.33	55.14	76.69	68.10	75.61	5
Uttar Pradesh	84.74	77.22	83.79	76.20	64.79	75.09	80.24	71.55	79.27	2
West Bengal	85.33	74.78	83.89	73.75	78.46	74.59	79.01	77.07	78.70	3
Jharkhand	76.43	64.13	75.00	73.85	62.57	72.32	75.20	63.32	73.71	9
Chhattisgarh	64.96	56.37	63.54	62.81	69.43	63.95	63.72	64.03	63.78	20
Uttaranchal	66.60	49.94	65.23	59.26	43.89	57.04	62.39	45.60	60.39	21
A&N	57.15	61.58	58.40	31.31	44.11	33.98	42.61	53.52	45.26	32
Chandigarh	65.54	62.85	65.48	42.88	38.84	42.03	44.83	39.03	43.69	33
D&N	46.22	82.88	52.97	69.85	79.09	72.19	51.95	81.65	57.94	23
D&D	81.50	80.54	81.48	52.05	79.22	62.10	68.58	79.28	70.85	12
Delhi	62.32	77.74	63.18	61.14	42.47	58.63	61.22	43.42	58.91	22
Lakshadweep	27.36	0.00	26.98	15.14	18.32	15.74	19.25	17.76	19.04	35
Pondicherry	73.73	74.66	73.98	69.68	68.41	69.36	70.39	69.64	70.20	15
Total	78.28	70.49	76.94	70.23	64.50	69.19	73.63	66.93	72.44	

Source: ibid

Annex – 3.30**Percentage Distribution of Informal Sector Workers in Services by State,
2004-05 (Per cent)**

State	Rural			Urban			Rural + Urban			Rank
	Male	Female	Total	Male	Female	Total	Male	Female	Total	
Andhra Pradesh	8.79	20.19	10.58	7.70	13.83	8.74	8.19	16.55	9.56	4
Arunachal Pradesh	0.06	0.05	0.06	0.03	0.02	0.03	0.05	0.04	0.04	31
Assam	4.51	1.95	4.10	1.08	0.92	1.06	2.62	1.36	2.41	15
Bihar	8.18	3.74	7.48	2.58	0.99	2.31	5.09	2.16	4.61	9
Goa	0.14	0.32	0.17	0.12	0.30	0.15	0.13	0.31	0.16	23
Gujarat	4.04	3.10	3.89	6.11	5.44	6.00	5.18	4.44	5.06	7
Haryana	2.87	1.64	2.67	2.36	1.60	2.23	2.59	1.62	2.43	14
Himachal Pradesh	0.72	0.38	0.67	0.21	0.17	0.20	0.44	0.26	0.41	22
Jammu & Kashmir	0.70	0.12	0.61	0.52	0.10	0.45	0.60	0.11	0.52	20
Karnataka	3.81	5.27	4.04	6.44	7.27	6.58	5.26	6.41	5.45	6
Kerala	5.99	8.73	6.42	2.62	3.38	2.75	4.13	5.67	4.38	11
Madhya Pradesh	3.64	3.49	3.62	5.41	4.28	5.22	4.62	3.94	4.51	10
Maharashtra	6.17	7.51	6.38	14.71	18.03	15.27	10.88	13.53	11.31	2
Manipur	0.15	0.43	0.19	0.08	0.23	0.11	0.11	0.32	0.14	26
Meghalaya	0.13	0.63	0.21	0.08	0.29	0.11	0.10	0.43	0.15	24
Mizoram	0.02	0.08	0.03	0.04	0.19	0.06	0.03	0.14	0.05	29
Nagaland	0.05	0.08	0.06	0.10	0.18	0.11	0.08	0.14	0.09	28
Orissa	4.49	3.99	4.41	1.84	1.79	1.83	3.03	2.73	2.98	12
Punjab	2.50	1.90	2.41	3.42	2.05	3.19	3.01	1.98	2.84	13
Rajasthan	4.96	2.79	4.62	4.96	3.42	4.70	4.96	3.15	4.66	8
Sikkim	0.06	0.15	0.07	0.02	0.04	0.02	0.04	0.09	0.05	30
Tamil Nadu	4.84	9.95	5.65	8.28	12.53	8.99	6.74	11.43	7.51	5
Tripura	0.95	0.61	0.89	0.17	0.13	0.16	0.52	0.34	0.49	21
Uttar Pradesh	16.30	11.46	15.54	13.28	6.04	12.06	14.64	8.36	13.61	1
West Bengal	11.39	8.44	10.93	9.62	11.00	9.86	10.42	9.91	10.33	3
Jharkhand	2.07	1.22	1.93	1.48	0.97	1.39	1.74	1.07	1.63	17
Chhattisgarh	1.18	1.09	1.16	1.25	1.42	1.28	1.22	1.28	1.23	18
Uttaranchal	0.72	0.26	0.65	0.70	0.43	0.66	0.71	0.36	0.65	19
A&N	0.04	0.09	0.05	0.02	0.04	0.03	0.03	0.06	0.04	32
Chandigarh	0.04	0.01	0.04	0.24	0.28	0.25	0.15	0.16	0.15	25
D&N	0.03	0.06	0.03	0.01	0.02	0.01	0.02	0.03	0.02	34
D&D	0.03	0.00	0.03	0.01	0.05	0.02	0.02	0.03	0.02	33
Delhi	0.40	0.16	0.36	4.33	2.30	3.99	2.57	1.38	2.37	16
Lakshadweep	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	35
Pondicherry	0.05	0.10	0.05	0.17	0.27	0.18	0.11	0.19	0.13	27
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	

Source: ibid

Annex – 3.31**Indices of Shares of Informal Sector Workers in Services by State, 2004-05**

State	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Andhra Pradesh	1.03	1.20	1.06	1.00	1.18	1.04	1.02	1.20	1.05
Arunachal Pradesh	0.61	0.65	0.62	0.65	0.56	0.64	0.64	0.62	0.64
Assam	1.04	0.95	1.04	0.92	0.86	0.91	1.04	0.92	1.04
Bihar	1.16	1.22	1.17	1.09	1.26	1.11	1.17	1.27	1.19
Goa	0.67	0.83	0.70	0.79	1.13	0.87	0.73	0.98	0.79
Gujarat	0.93	0.83	0.92	1.07	1.07	1.08	1.01	0.98	1.01
Haryana	0.96	1.00	0.97	1.11	0.87	1.08	1.04	0.92	1.03
Himachal Pradesh	0.78	0.37	0.71	0.77	0.57	0.74	0.80	0.44	0.74
Jammu & Kashmir	0.73	0.40	0.72	0.89	0.37	0.85	0.81	0.39	0.79
Karnataka	0.97	0.88	0.95	0.99	1.02	0.99	0.97	0.96	0.96
Kerala	0.99	0.84	0.94	1.02	0.84	0.97	1.02	0.85	0.97
Madhya Pradesh	0.91	1.00	0.93	0.97	0.91	0.96	0.94	0.94	0.94
Maharashtra	0.87	0.94	0.88	0.95	0.96	0.95	0.91	0.94	0.91
Manipur	0.63	1.02	0.72	0.60	0.87	0.67	0.62	0.96	0.71
Meghalaya	0.79	1.14	0.90	0.66	0.65	0.64	0.74	0.89	0.78
Mizoram	0.43	0.92	0.55	0.46	0.94	0.60	0.45	0.92	0.58
Nagaland	0.49	0.73	0.53	0.84	1.04	0.88	0.69	0.93	0.74
Orissa	0.99	1.03	1.00	0.97	0.94	0.96	1.00	1.01	1.01
Punjab	0.93	0.91	0.93	1.07	0.71	1.02	1.01	0.77	0.98
Rajasthan	1.01	0.86	1.00	1.04	1.04	1.05	1.03	0.96	1.03
Sikkim	0.55	0.76	0.60	0.73	0.89	0.77	0.62	0.81	0.66
Tamil Nadu	0.94	1.00	0.94	0.97	1.03	0.98	0.95	1.02	0.96
Tripura	1.06	1.13	1.07	0.81	0.70	0.80	1.04	1.02	1.04
Uttar Pradesh	1.08	1.10	1.09	1.09	1.00	1.09	1.09	1.07	1.09
West Bengal	1.09	1.06	1.09	1.05	1.22	1.08	1.07	1.15	1.09
Jharkhand	0.98	0.91	0.97	1.05	0.97	1.05	1.02	0.95	1.02
Chhattisgarh	0.83	0.80	0.83	0.89	1.08	0.92	0.87	0.96	0.88
Uttaranchal	0.85	0.71	0.85	0.84	0.68	0.82	0.85	0.68	0.83
A&N	0.73	0.87	0.76	0.45	0.68	0.49	0.58	0.80	0.62
Chandigarh	0.84	0.89	0.85	0.61	0.60	0.61	0.61	0.58	0.60
D&N	0.59	1.18	0.69	0.99	1.23	1.04	0.71	1.22	0.80
D&D	1.04	1.14	1.06	0.74	1.23	0.90	0.93	1.18	0.98
Delhi	0.80	1.10	0.82	0.87	0.66	0.85	0.83	0.65	0.81
Lakshadweep	0.35	0.00	0.35	0.22	0.28	0.23	0.26	0.27	0.26
Pondicherry	0.94	1.06	0.96	0.99	1.06	1.00	0.96	1.04	0.97
Total	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Source: ibid

Annex – 3.32**Percentage Distribution of Informal Sector Workers in Services by Area and Sex,
2004-05 (Per cent)**

State	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Andhra Pradesh	34.46	14.80	49.26	37.18	13.57	50.74	71.63	28.37	100.00
Arunachal Pradesh	53.02	8.05	61.07	33.95	4.97	38.93	86.98	13.02	100.00
Assam	70.03	5.66	75.69	20.72	3.58	24.31	90.75	9.25	100.00
Bihar	66.51	5.69	72.20	25.80	2.01	27.80	92.31	7.69	100.00
Goa	33.79	14.39	48.19	33.80	18.02	51.81	67.59	32.41	100.00
Gujarat	29.93	4.30	34.23	55.70	10.07	65.77	85.63	14.37	100.00
Haryana	44.25	4.75	48.99	44.82	6.19	51.01	89.06	10.94	100.00
Himachal Pradesh	66.28	6.59	72.88	23.29	3.83	27.12	89.58	10.42	100.00
Jammu & Kashmir	50.57	1.62	52.19	46.03	1.78	47.81	96.60	3.40	100.00
Karnataka	26.20	6.77	32.97	54.53	12.50	67.03	80.73	19.27	100.00
Kerala	51.23	13.95	65.17	27.60	7.23	34.83	78.82	21.18	100.00
Madhya Pradesh	30.28	5.42	35.70	55.40	8.90	64.30	85.68	14.32	100.00
Maharashtra	20.43	4.65	25.08	59.98	14.94	74.92	80.41	19.59	100.00
Manipur	37.84	20.92	58.75	26.26	14.98	41.25	64.10	35.90	100.00
Meghalaya	30.98	28.60	59.58	22.61	17.81	40.42	53.59	46.41	100.00
Mizoram	14.78	11.38	26.16	38.18	35.67	73.84	52.95	47.05	100.00
Nagaland	22.31	6.27	28.58	51.90	19.52	71.42	74.21	25.79	100.00
Orissa	56.46	9.39	65.85	28.51	5.64	34.15	84.96	15.04	100.00
Punjab	32.99	4.70	37.69	55.56	6.75	62.31	88.55	11.45	100.00
Rajasthan	39.84	4.20	44.04	49.09	6.87	55.96	88.93	11.07	100.00
Sikkim	46.52	23.31	69.83	22.52	7.65	30.17	69.04	30.96	100.00
Tamil Nadu	24.19	9.29	33.48	50.87	15.65	66.52	75.06	24.94	100.00
Tripura	72.51	8.78	81.30	16.16	2.54	18.70	88.68	11.32	100.00
Uttar Pradesh	44.91	5.90	50.82	45.02	4.16	49.18	89.94	10.06	100.00
West Bengal	41.33	5.72	47.05	42.96	9.98	52.95	84.29	15.71	100.00
Jharkhand	47.41	5.22	52.63	41.83	5.55	47.37	89.23	10.77	100.00
Chhattisgarh	35.97	6.20	42.17	47.00	10.83	57.83	82.97	17.03	100.00
Uttaranchal	41.40	2.79	44.18	49.61	6.21	55.82	91.00	9.00	100.00
A&N	41.81	17.81	59.62	29.45	10.92	40.38	71.26	28.74	100.00
Chandigarh	10.35	0.23	10.58	72.07	17.35	89.42	82.42	17.58	100.00
D&N	48.24	19.52	67.75	23.32	8.93	32.25	71.55	28.45	100.00
D&D	50.88	1.05	51.92	25.38	22.70	48.08	76.26	23.74	100.00
Delhi	6.26	0.46	6.72	84.19	9.09	93.28	90.45	9.55	100.00
Lakshadweep	41.68	0.00	41.68	45.59	12.72	58.32	87.28	12.72	100.00
Pondicherry	13.77	5.30	19.07	61.25	19.68	80.93	75.02	24.98	100.00
Total	37.48	7.01	44.49	46.14	9.37	55.51	83.62	16.38	100.00

Source: ibid

Annex – 3.33**Indices of Shares of Informal Sector Workers in Services by Sector and Sex, 2004-05**

State	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Andhra Pradesh	1.06	1.11	1.07	0.92	0.99	0.94	0.98	1.05	1.00
Arunachal Pradesh	1.04	0.99	1.03	0.99	0.78	0.96	1.02	0.89	1.00
Assam	1.08	0.89	1.07	0.86	0.74	0.84	1.02	0.82	1.00
Bihar	1.05	1.00	1.05	0.89	0.94	0.90	1.00	0.98	1.00
Goa	0.91	1.02	0.94	0.97	1.28	1.06	0.94	1.15	1.00
Gujarat	1.00	0.80	0.97	1.03	0.94	1.02	1.02	0.90	1.00
Haryana	1.00	0.95	1.00	1.05	0.75	1.00	1.03	0.83	1.00
Himachal Pradesh	1.14	0.49	1.02	1.02	0.69	0.96	1.11	0.55	1.00
Jammu & Kashmir	1.01	0.50	0.98	1.09	0.42	1.03	1.04	0.45	1.00
Karnataka	1.09	0.89	1.04	0.99	0.94	0.98	1.02	0.92	1.00
Kerala	1.10	0.84	1.03	1.02	0.77	0.95	1.07	0.81	1.00
Madhya Pradesh	1.05	1.04	1.05	1.00	0.87	0.98	1.01	0.92	1.00
Maharashtra	1.03	1.00	1.02	1.01	0.93	0.99	1.01	0.95	1.00
Manipur	0.96	1.41	1.08	0.82	1.10	0.90	0.90	1.26	1.00
Meghalaya	1.09	1.43	1.23	0.82	0.74	0.78	0.96	1.05	1.00
Mizoram	0.80	1.54	1.01	0.77	1.44	0.99	0.78	1.46	1.00
Nagaland	0.72	0.97	0.76	1.11	1.26	1.14	0.95	1.17	1.00
Orissa	1.06	0.99	1.05	0.93	0.83	0.91	1.01	0.93	1.00
Punjab	1.03	0.90	1.01	1.06	0.65	0.99	1.05	0.73	1.00
Rajasthan	1.07	0.82	1.04	0.98	0.90	0.97	1.02	0.87	1.00
Sikkim	0.90	1.11	0.96	1.07	1.20	1.10	0.95	1.13	1.00
Tamil Nadu	1.06	1.01	1.05	0.98	0.96	0.98	1.01	0.98	1.00
Tripura	1.10	1.05	1.09	0.75	0.60	0.73	1.01	0.90	1.00
Uttar Pradesh	1.07	0.97	1.06	0.96	0.82	0.95	1.01	0.90	1.00
West Bengal	1.08	0.95	1.07	0.94	1.00	0.95	1.00	0.98	1.00
Jharkhand	1.04	0.87	1.02	1.00	0.85	0.98	1.02	0.86	1.00
Chhattisgarh	1.02	0.88	1.00	0.98	1.09	1.00	1.00	1.00	1.00
Uttaranchal	1.10	0.83	1.08	0.98	0.73	0.94	1.03	0.76	1.00
A&N	1.26	1.36	1.29	0.69	0.97	0.75	0.94	1.18	1.00
Chandigarh	1.50	1.44	1.50	0.98	0.89	0.96	1.03	0.89	1.00
D&N	0.80	1.43	0.91	1.21	1.36	1.25	0.90	1.41	1.00
D&D	1.15	1.14	1.15	0.73	1.12	0.88	0.97	1.12	1.00
Delhi	1.06	1.32	1.07	1.04	0.72	1.00	1.04	0.74	1.00
Lakshadweep	1.44	0.00	1.42	0.80	0.96	0.83	1.01	0.93	1.00
Pondicherry	1.05	1.06	1.05	0.99	0.97	0.99	1.00	0.99	1.00
Total	1.08	0.97	1.06	0.97	0.89	0.96	1.02	0.92	1.00

Source: ibid

Annex – 4.1**1. Estimated Number of Informal and Formal Workers by Major Industry Group (million)**

Activity	1999-2000			2004-05		
	Informal worker	Formal worker	Total	Informal worker	Formal worker	Total
Agriculture	234.79	2.89	237.67	256.07	2.86	258.93
Mining	1.56	0.61	2.17	1.78	0.86	2.64
Manufacturing	36.85	7.20	44.05	49.30	6.48	55.77
Electricity	0.21	0.92	1.13	0.24	1.06	1.30
construction	16.90	0.63	17.54	25.32	0.70	26.02
Trade	35.41	1.21	36.62	42.54	0.82	43.36
Hotels	4.35	0.26	4.62	5.80	0.30	6.10
Transport	11.44	3.17	14.61	15.28	3.20	18.47
Finance	0.63	1.63	2.25	1.21	1.88	3.10
Real estate	2.24	0.43	2.67	3.73	0.93	4.66
Administration	1.60	8.88	10.48	1.19	7.65	8.84
Education	3.24	5.23	8.47	5.29	6.14	11.43
Health	1.50	1.36	2.85	2.18	1.53	3.71
Community	9.28	0.47	9.75	7.97	0.42	8.39
Household	1.74	0.10	1.84	4.72	0.04	4.75
Extra	0.00	0.01	0.02	0.00	0.00	0.00
Total	361.74	35.02	396.76	422.61	34.85	457.46

Source: ibid

2. Compound Growth Rates of Informal and Formal workers by Major Industry Groups between 1999-2000 and 2004-05

Activity	Compound Growth Rate (per cent)		
	Informal worker	Formal worker	Total
Agriculture	1.75	-0.18	1.73
Mining	2.68	7.00	3.97
Manufacturing	5.99	-2.09	4.83
Electricity	2.74	2.77	2.77
construction	8.42	1.93	8.21
Trade	3.74	-7.52	3.43
Hotels	5.89	2.89	5.72
Transport	5.95	0.15	4.80
Finance	14.15	2.93	6.54
Real estate	10.75	16.35	11.74
Administration	-5.75	-2.94	-3.35
Education	10.32	3.25	6.17
Health	7.79	2.43	5.38
Community	-3.01	-2.35	-2.97
Household	22.13	-18.32	20.95
Extra	-6.84	-52.99	-27.34
Total	3.16	-0.10	2.89

Source: ibid

3. Percentage Distribution of Informal Workers (Per cent)

Activity	1999-2000			2004-05		
	Informal worker	Formal worker	Total	Informal worker	Formal worker	Total
Agriculture	98.79	1.21	100.00	98.89	1.11	100.00
Mining	71.75	28.25	100.00	67.39	32.61	100.00
Manufacturing	83.65	16.35	100.00	88.38	11.62	100.00
Electricity	18.75	81.25	100.00	18.72	81.28	100.00
construction	96.40	3.60	100.00	97.33	2.67	100.00
Trade	96.69	3.31	100.00	98.11	1.89	100.00
Hotels	94.30	5.70	100.00	95.02	4.98	100.00
Transport	78.30	21.70	100.00	82.70	17.30	100.00
Finance	27.80	72.20	100.00	39.24	60.76	100.00
Real estate	83.73	16.27	100.00	80.09	19.91	100.00
Administration	15.27	84.73	100.00	13.46	86.54	100.00
Education	38.22	61.78	100.00	46.28	53.72	100.00
Health	52.51	47.49	100.00	58.80	41.20	100.00
Community	95.15	4.85	100.00	94.99	5.01	100.00
Household	94.54	5.46	100.00	99.23	0.77	100.00
Extra	26.46	73.54	100.00	91.66	8.34	100.00
Total	91.17	8.83	100.00	92.38	7.62	100.00

Source: ibid

4. Percentage Distribution of Informal Workers by Economic Activity (Per cent)

Activity	1999-2000			2004-05		
	Informal worker	Formal worker	Total	Informal worker	Formal worker	Total
Agriculture	64.90	8.24	59.90	60.59	8.21	56.60
Mining	0.43	1.75	0.55	0.42	2.47	0.58
Manufacturing	10.19	20.56	11.10	11.66	18.59	12.19
Electricity	0.06	2.63	0.29	0.06	3.03	0.28
construction	4.67	1.80	4.42	5.99	2.00	5.69
Trade	9.79	3.47	9.23	10.07	2.36	9.48
Hotels	1.20	0.75	1.16	1.37	0.87	1.33
Transport	3.16	9.05	3.68	3.61	9.17	4.04
Finance	0.17	4.65	0.57	0.29	5.40	0.68
Real estate	0.62	1.24	0.67	0.88	2.66	1.02
Administration	0.44	25.35	2.64	0.28	21.94	1.93
Education	0.90	14.95	2.14	1.25	17.62	2.50
Health	0.41	3.87	0.72	0.52	4.39	0.81
Community	2.57	1.35	2.46	1.88	1.20	1.83
Household	0.48	0.29	0.46	1.12	0.10	1.04
Extra	0.00	0.04	0.00	0.00	0.00	0.00
Total	100.00	100.00	100.00	100.00	100.00	100.00

Source: ibid

Annex – 4.2**1. Estimated Number of Informal Workers by Industry, Area and Sex, 2004-05 (Million)**

Major Industry Group	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Agriculture	143.93	102.63	246.56	5.28	4.23	9.51	149.20	106.86	256.07
Mining	1.20	0.35	1.55	0.20	0.02	0.22	1.40	0.38	1.78
Manufacturing	16.02	9.95	25.98	16.97	6.34	23.32	33.00	16.30	49.30
Electricity	0.13	0.00	0.13	0.10	0.01	0.11	0.23	0.02	0.24
construction	14.69	1.80	16.49	7.94	0.89	8.84	22.63	2.69	25.32
Trade	16.03	2.51	18.54	21.71	2.30	24.00	37.74	4.80	42.54
Hotels	1.83	0.57	2.40	2.83	0.57	3.40	4.66	1.14	5.80
Transport	7.50	0.15	7.65	7.45	0.17	7.62	14.95	0.33	15.28
Finance	0.30	0.04	0.34	0.75	0.12	0.87	1.05	0.16	1.21
Real estate	0.79	0.05	0.84	2.61	0.28	2.89	3.40	0.33	3.73
Administration	0.55	0.17	0.71	0.37	0.11	0.48	0.91	0.28	1.19
Education	1.35	1.24	2.59	1.20	1.50	2.70	2.55	2.74	5.29
Health	0.70	0.30	1.00	0.76	0.42	1.18	1.46	0.72	2.18
Community	3.44	1.00	4.44	2.65	0.88	3.53	6.09	1.88	7.97
Household & Extra	0.56	0.85	1.40	0.78	2.54	3.32	1.34	3.39	4.72
Total	209.01	121.60	330.62	71.60	20.40	91.99	280.61	142.00	422.61

Source: ibid

2. Percentage Distribution of Informal Workers by Industry Group, 2004-05 (Per cent)

Major Industry Group	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Agriculture	68.86	84.40	74.57	7.37	20.74	10.34	53.17	75.25	60.59
Mining	0.57	0.29	0.47	0.28	0.11	0.24	0.50	0.26	0.42
Manufacturing	7.67	8.18	7.86	23.71	31.10	25.35	11.76	11.48	11.66
Electricity	0.06	0.00	0.04	0.14	0.07	0.12	0.08	0.01	0.06
construction	7.03	1.48	4.99	11.09	4.38	9.60	8.06	1.90	5.99
Trade	7.67	2.06	5.61	30.32	11.26	26.09	13.45	3.38	10.07
Hotels	0.87	0.47	0.72	3.95	2.80	3.70	1.66	0.80	1.37
Transport	3.59	0.13	2.31	10.41	0.85	8.29	5.33	0.23	3.61
Finance	0.14	0.03	0.10	1.05	0.59	0.95	0.38	0.11	0.29
Real estate	0.38	0.04	0.25	3.64	1.39	3.14	1.21	0.23	0.88
Administration	0.26	0.14	0.22	0.51	0.54	0.52	0.33	0.20	0.28
Education	0.65	1.02	0.78	1.68	7.33	2.93	0.91	1.93	1.25
Health	0.34	0.24	0.30	1.06	2.07	1.28	0.52	0.51	0.52
Community	1.65	0.82	1.34	3.70	4.32	3.84	2.17	1.32	1.88
Household & Extra	0.27	0.69	0.42	1.08	12.45	3.61	0.48	2.38	1.12
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: ibid

3. Percentage Distribution of Informal Workers by Area and Sex, 2004-05 (Per cent)

Major Industry Group	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Agriculture	56.21	40.08	96.29	2.06	1.65	3.71	58.27	41.73	100.00
Mining	67.58	19.87	87.45	11.29	1.26	12.55	78.87	21.13	100.00
Manufacturing	32.51	20.19	52.70	34.43	12.87	47.30	66.94	33.06	100.00
Electricity	52.07	1.10	53.17	41.06	5.78	46.83	93.12	6.88	100.00
construction	58.00	7.10	65.11	31.36	3.53	34.89	89.37	10.63	100.00
Trade	37.69	5.89	43.58	51.02	5.40	56.42	88.71	11.29	100.00
Hotels	31.55	9.79	41.34	48.82	9.84	58.66	80.36	19.64	100.00
Transport	49.09	1.00	50.09	48.77	1.14	49.91	97.86	2.14	100.00
Finance	24.65	3.33	27.98	62.04	9.98	72.02	86.69	13.31	100.00
Real estate	21.11	1.34	22.45	69.97	7.59	77.55	91.07	8.93	100.00
Administration	45.84	14.08	59.92	30.85	9.22	40.08	76.69	23.31	100.00
Education	25.56	23.46	49.02	22.71	28.27	50.98	48.28	51.72	100.00
Health	32.25	13.63	45.89	34.73	19.38	54.11	66.99	33.01	100.00
Community	43.19	12.51	55.70	33.25	11.05	44.30	76.44	23.56	100.00
Household & Extra	11.83	17.90	29.73	16.45	53.82	70.27	28.28	71.72	100.00
Total	49.46	28.77	78.23	16.94	4.83	21.77	66.40	33.60	100.00

Source: ibid

4. Share of Informal workers to Total Workers, 2004-05 (Per cent)

Major Industry Group	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Agriculture	98.81	99.29	99.01	95.00	97.35	96.03	98.67	99.21	98.89
Mining	85.56	97.69	88.04	24.29	48.37	25.57	62.87	92.09	67.39
Manufacturing	92.34	96.03	93.72	79.77	93.59	83.11	85.42	95.07	88.38
Electricity	24.41	19.74	24.29	13.87	30.07	14.86	18.28	27.75	18.72
construction	98.07	99.73	98.25	95.28	99.13	95.65	97.07	99.53	97.33
Trade	98.80	99.51	98.90	97.43	98.19	97.51	98.01	98.87	98.11
Hotels	96.99	98.36	97.31	92.90	96.44	93.47	94.46	97.39	95.02
Transport	90.20	78.54	89.93	77.31	53.37	76.53	83.28	62.81	82.70
Finance	44.09	60.15	45.54	38.05	32.88	37.23	39.59	37.08	39.24
Real estate	91.63	93.48	91.74	78.31	68.71	77.25	81.04	71.56	80.09
Administration	21.37	55.37	24.98	7.00	14.80	7.97	11.71	26.56	13.46
Education	38.76	60.64	46.85	38.53	53.85	45.75	38.65	56.73	46.28
Health	69.87	58.03	65.88	57.27	48.73	53.89	62.72	52.18	58.80
Community	97.03	99.21	97.51	90.42	97.14	92.01	94.04	98.23	94.99
Household & Extra	98.43	99.82	99.26	97.72	99.68	99.21	98.01	99.71	99.23
Total	95.42	98.04	96.37	79.20	85.01	80.42	90.68	95.93	92.38

Source: ibid

Annex – 4.3**Estimated Number of Informal workers by Two Digit NIC, 2004-05 (in 000)**

NIC two digit	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
01	142387	101756	244144	4942	4189	9131	147330	105945	253275
02	595	690	1285	41	6	47	636	696	1332
05	944	183	1127	296	36	332	1239	220	1459
Agriculture	143926	102630	246555	5279	4231	9510	149205	106861	256066
10	95	15	110	33	3	37	128	18	147
11	13	0	13	2	0	2	14	0	14
13	19	10	29	13	4	17	32	14	46
14	1074	329	1403	153	15	168	1227	344	1571
15	2191	996	3186	1575	368	1944	3766	1364	5130
16	726	2395	3121	277	842	1119	1002	3237	4240
17	2204	2114	4319	2995	1847	4842	5199	3962	9161
18	1852	1367	3219	2504	1431	3935	4356	2797	7153
19	247	27	274	758	161	919	1005	188	1193
20	2556	1403	3959	1063	145	1208	3618	1549	5167
21	126	20	146	238	90	328	364	110	473
22	97	20	117	578	81	659	675	101	776
23	15	6	20	19	2	21	34	7	41
24	299	310	609	327	361	688	626	671	1297
25	135	26	161	389	64	453	524	90	614
26	2390	946	3336	625	214	839	3015	1160	4175
27	235	9	244	313	25	338	548	34	582
28	893	36	930	1448	90	1537	2341	126	2467
29	349	8	356	492	37	529	841	45	885
30	4	0	4	28	0	29	33	0	33
31	129	2	131	392	57	449	521	59	580
32	18	0	18	106	9	115	124	9	133
33	18	3	21	82	23	105	100	26	126
34	106	6	112	224	13	237	330	20	349
35	54	0	54	131	11	142	185	11	196
36	1364	258	1622	2363	452	2815	3727	710	4437
37	19	0	19	48	20	68	67	20	87
40	101	2	103	85	14	99	186	15	201
41	26	1	27	15	1	15	41	2	42
45	14688	1799	16487	7942	894	8836	22630	2692	25322

(contd...)

NIC two digit	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Industry	32041	12106	44147	25217	7274	32492	57258	19381	76639
50	837	22	858	1692	39	1731	2528	60	2589
51	1580	71	1651	3339	217	3556	4919	288	5206
52	13616	2414	16030	16675	2041	18715	30291	4454	34745
55	1829	568	2396	2829	571	3400	4658	1138	5796
60	7014	82	7097	6564	59	6623	13578	142	13719
61	24	1	25	25	0	25	49	1	50
62	0	4	4	1	0	1	1	4	4
63	89	0	89	280	13	293	369	13	382
64	372	66	438	581	102	683	953	168	1121
65	181	28	209	478	80	558	659	108	767
66	91	6	97	145	25	171	236	32	268
67	28	6	34	130	16	146	158	22	180
70	61	6	67	374	35	410	435	41	477
71	238	12	250	283	3	286	521	14	536
72	38	7	45	373	57	430	411	64	475
73	0	0	0	8	1	10	8	1	10
74	450	25	475	1570	186	1756	2019	212	2231
75	545	168	713	367	110	477	913	277	1190
80	1353	1241	2594	1202	1496	2697	2554	2737	5291
85	704	297	1001	758	423	1180	1461	720	2181
90	92	103	195	95	65	160	187	168	355
91	596	76	672	443	57	500	1039	133	1172
92	302	47	349	477	50	526	778	97	875
93	2451	771	3221	1634	709	2342	4084	1479	5564
95	558	845	1403	775	2540	3314	1333	3385	4718
99	0	0	0	2	1	3	2	1	3
Services	33048	6864	39913	41099	8894	49993	74147	15758	89905
Total	209015	121600	330615	71595	20400	91995	280610	142000	422610

Source: ibid

Annex – 4.4**Percentage Distribution of Informal Workers by Two Digit NIC, 2004-05 (Per cent)**

NIC two digit	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
01	68.12	83.68	73.85	6.90	20.53	9.93	52.50	74.61	59.93
02	0.28	0.57	0.39	0.06	0.03	0.05	0.23	0.49	0.32
05	0.45	0.15	0.34	0.41	0.18	0.36	0.44	0.15	0.35
Agriculture	68.86	84.40	74.57	7.37	20.74	10.34	53.17	75.25	60.59
10	0.05	0.01	0.03	0.05	0.02	0.04	0.05	0.01	0.03
11	0.01	0.00	0.00	0.00	0.00	0.00	0.01	0.00	0.00
13	0.01	0.01	0.01	0.02	0.02	0.02	0.01	0.01	0.01
14	0.51	0.27	0.42	0.21	0.07	0.18	0.44	0.24	0.37
15	1.05	0.82	0.96	2.20	1.81	2.11	1.34	0.96	1.21
16	0.35	1.97	0.94	0.39	4.13	1.22	0.36	2.28	1.00
17	1.05	1.74	1.31	4.18	9.06	5.26	1.85	2.79	2.17
18	0.89	1.12	0.97	3.50	7.01	4.28	1.55	1.97	1.69
19	0.12	0.02	0.08	1.06	0.79	1.00	0.36	0.13	0.28
20	1.22	1.15	1.20	1.48	0.71	1.31	1.29	1.09	1.22
21	0.06	0.02	0.04	0.33	0.44	0.36	0.13	0.08	0.11
22	0.05	0.02	0.04	0.81	0.40	0.72	0.24	0.07	0.18
23	0.01	0.00	0.01	0.03	0.01	0.02	0.01	0.01	0.01
24	0.14	0.25	0.18	0.46	1.77	0.75	0.22	0.47	0.31
25	0.06	0.02	0.05	0.54	0.31	0.49	0.19	0.06	0.15
26	1.14	0.78	1.01	0.87	1.05	0.91	1.07	0.82	0.99
27	0.11	0.01	0.07	0.44	0.12	0.37	0.20	0.02	0.14
28	0.43	0.03	0.28	2.02	0.44	1.67	0.83	0.09	0.58
29	0.17	0.01	0.11	0.69	0.18	0.57	0.30	0.03	0.21
30	0.00	0.00	0.00	0.04	0.00	0.03	0.01	0.00	0.01
31	0.06	0.00	0.04	0.55	0.28	0.49	0.19	0.04	0.14
32	0.01	0.00	0.01	0.15	0.04	0.12	0.04	0.01	0.03
33	0.01	0.00	0.01	0.11	0.11	0.11	0.04	0.02	0.03
34	0.05	0.01	0.03	0.31	0.07	0.26	0.12	0.01	0.08
35	0.03	0.00	0.02	0.18	0.05	0.15	0.07	0.01	0.05
36	0.65	0.21	0.49	3.30	2.21	3.06	1.33	0.50	1.05
37	0.01	0.00	0.01	0.07	0.10	0.07	0.02	0.01	0.02
40	0.05	0.00	0.03	0.12	0.07	0.11	0.07	0.01	0.05
41	0.01	0.00	0.01	0.02	0.00	0.02	0.01	0.00	0.01
45	7.03	1.48	4.99	11.09	4.38	9.60	8.06	1.90	5.99

(contd...)

NIC two digit	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Industry	15.33	9.96	13.35	35.22	35.66	35.32	20.40	13.65	18.13
50	0.40	0.02	0.26	2.36	0.19	1.88	0.90	0.04	0.61
51	0.76	0.06	0.50	4.66	1.06	3.86	1.75	0.20	1.23
52	6.51	1.98	4.85	23.29	10.00	20.34	10.79	3.14	8.22
55	0.87	0.47	0.72	3.95	2.80	3.70	1.66	0.80	1.37
60	3.36	0.07	2.15	9.17	0.29	7.20	4.84	0.10	3.25
61	0.01	0.00	0.01	0.03	0.00	0.03	0.02	0.00	0.01
62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
63	0.04	0.00	0.03	0.39	0.06	0.32	0.13	0.01	0.09
64	0.18	0.05	0.13	0.81	0.50	0.74	0.34	0.12	0.27
65	0.09	0.02	0.06	0.67	0.39	0.61	0.23	0.08	0.18
66	0.04	0.01	0.03	0.20	0.12	0.19	0.08	0.02	0.06
67	0.01	0.01	0.01	0.18	0.08	0.16	0.06	0.02	0.04
70	0.03	0.00	0.02	0.52	0.17	0.45	0.16	0.03	0.11
71	0.11	0.01	0.08	0.40	0.01	0.31	0.19	0.01	0.13
72	0.02	0.01	0.01	0.52	0.28	0.47	0.15	0.05	0.11
73	0.00	0.00	0.00	0.01	0.01	0.01	0.00	0.00	0.00
74	0.22	0.02	0.14	2.19	0.91	1.91	0.72	0.15	0.53
75	0.26	0.14	0.22	0.51	0.54	0.52	0.33	0.20	0.28
80	0.65	1.02	0.78	1.68	7.33	2.93	0.91	1.93	1.25
85	0.34	0.24	0.30	1.06	2.07	1.28	0.52	0.51	0.52
90	0.04	0.08	0.06	0.13	0.32	0.17	0.07	0.12	0.08
91	0.29	0.06	0.20	0.62	0.28	0.54	0.37	0.09	0.28
92	0.14	0.04	0.11	0.67	0.24	0.57	0.28	0.07	0.21
93	1.17	0.63	0.97	2.28	3.47	2.55	1.46	1.04	1.32
95	0.27	0.69	0.42	1.08	12.45	3.60	0.47	2.38	1.12
99	0.00	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00
Services	15.81	5.65	12.07	57.40	43.60	54.34	26.42	11.10	21.27
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: ibid

Annex – 4.5**Percentage Distribution of Informal Workers by Area and Sex, 2004-05 (Per cent)**

NIC two digit	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
1	56.22	40.18	96.39	1.95	1.65	3.61	58.17	41.83	100.00
2	44.66	51.83	96.49	3.07	0.44	3.51	47.73	52.27	100.00
5	64.67	12.55	77.22	20.28	2.50	22.78	84.95	15.05	100.00
Agriculture	56.21	40.08	96.29	2.06	1.65	3.71	58.27	41.73	100.00
10	64.99	10.01	75.00	22.64	2.36	25.00	87.63	12.37	100.00
11	89.48	0.00	89.48	10.52	0.00	10.52	100.00	0.00	100.00
13	41.65	21.35	63.00	28.04	8.97	37.00	69.69	30.31	100.00
14	68.37	20.93	89.30	9.75	0.95	10.70	78.12	21.88	100.00
15	42.70	19.41	62.11	30.71	7.18	37.89	73.41	26.59	100.00
16	17.12	56.49	73.61	6.52	19.87	26.39	23.64	76.36	100.00
17	24.06	23.08	47.14	32.69	20.17	52.86	56.75	43.25	100.00
18	25.89	19.10	44.99	35.00	20.00	55.01	60.89	39.11	100.00
19	20.70	2.24	22.94	63.58	13.49	77.06	84.27	15.73	100.00
20	49.46	27.16	76.62	20.57	2.81	23.38	70.03	29.97	100.00
21	26.57	4.22	30.79	50.25	18.95	69.21	76.82	23.18	100.00
22	12.48	2.57	15.04	74.49	10.46	84.96	86.97	13.03	100.00
23	35.49	13.94	49.43	46.71	3.86	50.57	82.19	17.81	100.00
24	23.05	23.90	46.95	25.19	27.86	53.05	48.24	51.76	100.00
25	21.93	4.24	26.17	63.40	10.43	73.83	85.33	14.67	100.00
26	57.25	22.66	79.91	14.97	5.12	20.09	72.22	27.78	100.00
27	40.38	1.51	41.89	53.78	4.33	58.11	94.16	5.84	100.00
28	36.20	1.48	37.68	58.68	3.64	62.32	94.88	5.12	100.00
29	39.40	0.86	40.25	55.55	4.20	59.75	94.94	5.06	100.00
30	13.42	0.00	13.42	85.17	1.41	86.58	98.59	1.41	100.00
31	22.22	0.35	22.58	67.61	9.81	77.42	89.84	10.16	100.00
32	13.64	0.00	13.64	79.61	6.75	86.36	93.25	6.75	100.00
33	14.29	2.54	16.83	65.13	18.03	83.17	79.42	20.58	100.00
34	30.22	1.81	32.03	64.14	3.83	67.97	94.36	5.64	100.00
35	27.38	0.00	27.38	66.93	5.69	72.62	94.31	5.69	100.00
36	30.75	5.82	36.56	53.26	10.18	63.44	84.00	16.00	100.00
37	21.93	0.00	21.93	55.26	22.81	78.07	77.19	22.81	100.00
40	50.28	0.76	51.03	42.25	6.72	48.97	92.52	7.48	100.00
41	60.59	2.75	63.34	35.38	1.27	36.66	95.98	4.02	100.00
45	58.00	7.10	65.11	31.36	3.53	34.89	89.37	10.63	100.00

(contd...)

NIC two digit	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Industry	41.81	15.80	57.60	32.90	9.49	42.40	74.71	25.29	100.00
50	32.32	0.83	33.15	65.35	1.50	66.85	97.67	2.33	100.00
51	30.35	1.36	31.71	64.13	4.17	68.29	94.47	5.53	100.00
52	39.19	6.95	46.14	47.99	5.87	53.86	87.18	12.82	100.00
55	31.55	9.79	41.34	48.82	9.84	58.66	80.36	19.64	100.00
60	51.13	0.60	51.73	47.84	0.43	48.27	98.97	1.03	100.00
61	48.51	1.57	50.07	49.79	0.13	49.93	98.30	1.70	100.00
62	0.00	82.96	82.96	17.04	0.00	17.04	17.04	82.96	100.00
63	23.39	0.00	23.39	73.29	3.32	76.61	96.68	3.32	100.00
64	33.16	5.90	39.07	51.86	9.08	60.93	85.02	14.98	100.00
65	23.61	3.61	27.23	62.32	10.45	72.77	85.94	14.06	100.00
66	33.84	2.37	36.21	54.29	9.50	63.79	88.13	11.87	100.00
67	15.41	3.55	18.96	72.33	8.71	81.04	87.74	12.26	100.00
70	12.81	1.24	14.05	78.52	7.43	85.95	91.33	8.67	100.00
71	44.43	2.16	46.59	52.92	0.50	53.41	97.35	2.65	100.00
72	7.99	1.49	9.48	78.45	12.06	90.52	86.45	13.55	100.00
73	0.32	0.00	0.32	88.58	11.10	99.68	88.90	11.10	100.00
74	20.16	1.14	21.30	70.34	8.35	78.70	90.51	9.49	100.00
75	45.84	14.08	59.92	30.85	9.22	40.08	76.69	23.31	100.00
80	25.56	23.46	49.02	22.71	28.27	50.98	48.28	51.72	100.00
85	32.25	13.63	45.89	34.73	19.38	54.11	66.99	33.01	100.00
90	26.02	28.88	54.91	26.76	18.34	45.09	52.78	47.22	100.00
91	50.85	6.46	57.31	37.81	4.88	42.69	88.66	11.34	100.00
92	34.46	5.40	39.86	54.45	5.70	60.14	88.91	11.09	100.00
93	44.05	13.85	57.90	29.36	12.73	42.10	73.41	26.59	100.00
95	11.83	17.91	29.75	16.42	53.83	70.25	28.25	71.75	100.00
99	8.16	0.00	8.16	60.54	31.30	91.84	68.70	31.30	100.00
Services	36.76	7.64	44.39	45.71	9.89	55.61	82.47	17.53	100.00
Total	49.46	28.77	78.23	16.94	4.83	21.77	66.40	33.60	100.00

Source: ibid

Annex – 4.6**1. Estimated Number of Informal workers by age group, 2004-05 (million)**

Age Group	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-5	0.13	0.12	0.26	0.03	0.04	0.07	0.17	0.16	0.33
6-14	3.46	3.17	6.63	0.82	0.52	1.34	4.28	3.69	7.97
15-19	20.05	10.86	30.91	5.90	1.78	7.69	25.96	12.64	38.60
20-24	26.91	13.57	40.48	10.93	2.60	13.53	37.84	16.17	54.01
25-29	26.94	15.02	41.96	11.19	2.42	13.61	38.13	17.44	55.57
30-34	24.67	17.22	41.89	10.08	2.95	13.04	34.76	20.17	54.93
35-39	25.63	17.10	42.72	9.39	3.13	12.52	35.02	20.23	55.25
40-44	20.96	12.94	33.89	7.23	2.29	9.52	28.19	15.22	43.41
45-49	18.66	10.95	29.61	5.97	1.69	7.67	24.63	12.65	37.28
50-54	13.47	7.71	21.18	3.85	1.12	4.97	17.32	8.84	26.16
55-59	10.36	5.88	16.24	2.59	0.79	3.38	12.95	6.67	19.62
60+	17.78	7.07	24.85	3.59	1.05	4.64	21.37	8.12	29.49
Total	209.01	121.60	330.62	71.60	20.40	91.99	280.61	142.00	422.61

Source: ibid

2. Percentage Distribution of Informal Workers by Age Group, 2004-05 (Per cent)

Age Group	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-5	0.06	0.10	0.08	0.05	0.20	0.08	0.06	0.12	0.08
6-14	1.65	2.61	2.00	1.15	2.54	1.46	1.52	2.60	1.89
15-19	9.59	8.93	9.35	8.25	8.74	8.36	9.25	8.90	9.13
20-24	12.88	11.16	12.24	15.26	12.77	14.71	13.48	11.39	12.78
25-29	12.89	12.35	12.69	15.63	11.86	14.80	13.59	12.28	13.15
30-34	11.80	14.16	12.67	14.08	14.47	14.17	12.39	14.21	13.00
35-39	12.26	14.06	12.92	13.12	15.35	13.61	12.48	14.25	13.07
40-44	10.03	10.64	10.25	10.11	11.21	10.35	10.05	10.72	10.27
45-49	8.93	9.01	8.96	8.35	8.31	8.34	8.78	8.91	8.82
50-54	6.44	6.34	6.41	5.38	5.51	5.41	6.17	6.22	6.19
55-59	4.96	4.83	4.91	3.62	3.89	3.68	4.61	4.70	4.64
60+	8.51	5.81	7.52	5.02	5.15	5.05	7.62	5.72	6.98
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: ibid

3. Percentage Distribution of Informal Workers by Area and Sex, 2004-05 (Per cent)

Age Group	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
0-5	40.19	37.16	77.35	10.03	12.62	22.65	50.22	49.78	100.00
6-14	43.37	39.80	83.18	10.32	6.50	16.82	53.69	46.31	100.00
15-19	51.96	28.13	80.09	15.30	4.62	19.91	67.26	32.74	100.00
20-24	49.83	25.12	74.95	20.23	4.82	25.05	70.06	29.94	100.00
25-29	48.48	27.03	75.51	20.14	4.35	24.49	68.62	31.38	100.00
30-34	44.92	31.35	76.27	18.36	5.38	23.73	63.27	36.73	100.00
35-39	46.38	30.95	77.33	17.00	5.67	22.67	63.38	36.62	100.00
40-44	48.27	29.80	78.07	16.67	5.27	21.93	64.93	35.07	100.00
45-49	50.05	29.38	79.43	16.03	4.55	20.57	66.08	33.92	100.00
50-54	51.49	29.49	80.98	14.72	4.30	19.02	66.21	33.79	100.00
55-59	52.79	29.96	82.75	13.20	4.05	17.25	65.99	34.01	100.00
60+	60.30	23.96	84.26	12.18	3.56	15.74	72.48	27.52	100.00
Total	49.46	28.77	78.23	16.94	4.83	21.77	66.40	33.60	100.00

Source: ibid

Annex – 4.7**1. Estimated Number of Informal workers by Education Level, 2004-05 (million)**

Education Level	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Illiterate	73.46	81.33	154.79	11.40	8.69	20.09	84.86	90.02	174.88
Below primary	28.95	10.74	39.69	7.37	1.93	9.30	36.32	12.67	49.00
Primary	34.51	12.42	46.93	11.57	2.85	14.43	46.08	15.27	61.36
Middle	37.87	10.51	48.38	15.26	2.65	17.91	53.13	13.16	66.29
Secondary	18.24	4.03	22.27	10.61	1.35	11.95	28.85	5.37	34.22
Higher secondary	8.74	1.47	10.20	5.91	0.83	6.74	14.65	2.30	16.94
Diploma/certificate	1.42	0.39	1.80	1.72	0.39	2.11	3.13	0.78	3.92
Graduate & above	5.83	0.72	6.55	7.75	1.70	9.45	13.57	2.42	16.00
Total	209.01	121.60	330.62	71.60	20.40	91.99	280.61	142.00	422.61

Source: ibid

2. Percentage Distribution of Informal Workers by Education Level, 2004-05 (Per cent)

Education Level	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Illiterate	35.15	66.88	46.82	15.93	42.60	21.84	30.24	63.39	41.38
Below primary	13.85	8.83	12.01	10.30	9.46	10.11	12.94	8.92	11.59
Primary	16.51	10.21	14.19	16.16	13.99	15.68	16.42	10.75	14.52
Middle	18.12	8.64	14.63	21.32	13.01	19.47	18.93	9.27	15.69
Secondary	8.73	3.31	6.74	14.81	6.60	12.99	10.28	3.78	8.10
Higher secondary	4.18	1.21	3.09	8.26	4.06	7.33	5.22	1.62	4.01
Diploma/certificate	0.68	0.32	0.55	2.40	1.93	2.30	1.12	0.55	0.93
Graduate & above	2.79	0.59	1.98	10.82	8.34	10.27	4.84	1.71	3.79
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: ibid

3. Indices of Shares of Informal Workers by Education Level, 2004-05 (Per cent)

Education Level	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Illiterate	1.04	1.01	1.03	1.19	1.15	1.19	1.08	1.03	1.07
Below primary	1.02	1.00	1.01	1.17	1.09	1.15	1.06	1.01	1.05
Primary	1.02	1.00	1.01	1.14	1.11	1.13	1.05	1.02	1.04
Middle	1.01	0.99	1.00	1.11	1.10	1.10	1.03	1.01	1.02
Secondary	0.96	0.94	0.95	1.00	0.92	0.98	0.95	0.92	0.94
Higher secondary	0.92	0.88	0.91	0.90	0.81	0.88	0.89	0.82	0.87
Diploma/certificate	0.69	0.65	0.68	0.66	0.59	0.65	0.64	0.59	0.62
Graduate & above	0.74	0.68	0.73	0.65	0.58	0.63	0.64	0.56	0.62
Total	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Source: ibid

4. Percentage Distribution of Informal Workers by Area and Sex, 2004-05 (Per cent)

Education Level	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Illiterate	42.01	46.50	88.51	6.52	4.97	11.49	48.53	51.47	100.00
Below primary	59.09	21.92	81.01	15.05	3.94	18.99	74.14	25.86	100.00
Primary	56.25	20.24	76.49	18.86	4.65	23.51	75.11	24.89	100.00
Middle	57.13	15.85	72.98	23.02	4.00	27.02	80.15	19.85	100.00
Secondary	53.31	11.77	65.08	30.99	3.93	34.92	84.30	15.70	100.00
Higher secondary	51.57	8.66	60.22	34.88	4.89	39.78	86.45	13.55	100.00
Diploma/certificate	36.12	9.92	46.03	43.90	10.07	53.97	80.02	19.98	100.00
Graduate & above	36.42	4.52	40.94	48.43	10.64	59.06	84.84	15.16	100.00
Total	49.46	28.77	78.23	16.94	4.83	21.77	66.40	33.60	100.00

Source: ibid

5. Indices of Shares of Informal Workers by Area and Sex, 2004-05

Education Level	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Illiterate	1.00	1.01	1.00	0.96	0.99	0.97	1.00	1.00	1.00
Below primary	1.01	1.01	1.01	0.96	0.96	0.96	1.00	1.00	1.00
Primary	1.01	1.02	1.02	0.94	0.98	0.95	0.99	1.02	1.00
Middle	1.02	1.04	1.02	0.93	0.99	0.94	0.99	1.03	1.00
Secondary	1.05	1.07	1.05	0.91	0.91	0.91	1.00	1.02	1.00
Higher secondary	1.10	1.07	1.09	0.89	0.86	0.89	1.00	0.98	1.00
Diploma/certificate	1.15	1.12	1.14	0.91	0.87	0.91	1.01	0.98	1.00
Graduate & above	1.24	1.16	1.23	0.89	0.86	0.89	1.01	0.94	1.00
Total	1.03	1.06	1.04	0.86	0.92	0.87	0.98	1.04	1.00

Source: ibid

Annex – 4.8**1. Estimated Number of Informal workers by Usual Status, 2004-05 (million)**

Usual Activity Status	Rural			Urban			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Own account worker	86.97	18.90	105.87	29.22	5.58	34.79	116.18	24.48	140.66
Employer	2.41	0.47	2.88	2.18	0.11	2.29	4.59	0.58	5.17
Unpaid family worker	36.16	59.08	95.24	7.67	5.59	13.26	43.83	64.67	108.50
Regular wage employee	11.46	2.70	14.15	19.35	5.11	24.46	30.80	7.81	38.61
Casual labour in public	0.34	0.21	0.55	0.09	0.02	0.11	0.42	0.23	0.65
Casual labour in others	71.68	40.24	111.93	13.10	4.00	17.09	84.78	44.24	129.02
Total	209.01	121.60	330.62	71.60	20.40	91.99	280.61	142.00	422.61

Source: *ibid***2. Percentage Distribution of Informal Workers by Usual Status, 2004-05 (Per cent)**

Usual Activity Status	Rural			Urban			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Own account worker	41.61	15.54	32.02	40.81	27.34	37.82	41.40	17.24	33.28
Employer	1.15	0.39	0.87	3.04	0.55	2.49	1.63	0.41	1.22
Unpaid family worker	17.30	48.59	28.81	10.71	27.38	14.41	15.62	45.54	25.67
Regular wage employee	5.48	2.22	4.28	27.02	25.06	26.59	10.98	5.50	9.14
Casual labour in public	0.16	0.17	0.16	0.12	0.09	0.12	0.15	0.16	0.15
Casual labour in others	34.30	33.09	33.85	18.29	19.58	18.58	30.21	31.15	30.53
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: *ibid***3. Indices of Shares of Informal Workers by Usual Status, 2004-05 (Per cent)**

Usual Activity Status	Rural			Urban			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Own account worker	1.03	1.00	1.02	1.22	1.15	1.21	1.08	1.02	1.06
Employer	0.89	0.72	0.85	1.06	0.73	1.03	0.93	0.72	0.89
Unpaid family worker	1.05	1.02	1.04	1.26	1.18	1.24	1.10	1.04	1.08
Regular wage employee	0.61	0.60	0.60	0.67	0.70	0.67	0.60	0.62	0.60
Casual labour in public	1.05	1.02	1.04	1.26	1.18	1.24	1.10	1.04	1.08
Casual labour in others	1.05	1.02	1.04	1.26	1.18	1.24	1.10	1.04	1.08
Total	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Source: *ibid*

4. Percentage Distribution of Informal Workers by Area and Sex, 2004-05 (Per cent)

Usual Activity Status	Rural			Urban			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Own account worker	61.83	13.44	75.26	20.77	3.96	24.74	82.60	17.40	100.00
Employer	46.63	9.14	55.77	42.07	2.15	44.23	88.70	11.30	100.00
Unpaid family worker	33.33	54.45	87.78	7.07	5.15	12.22	40.40	59.60	100.00
Regular wage employee	29.67	6.98	36.65	50.11	13.24	63.35	79.77	20.23	100.00
Casual labour in public	51.46	32.21	83.67	13.67	2.66	16.33	65.13	34.87	100.00
Casual labour in others	55.56	31.19	86.75	10.15	3.10	13.25	65.71	34.29	100.00
Total	49.46	28.77	78.23	16.94	4.83	21.77	66.40	33.60	100.00

Source: ibid

5. Indices of Shares of Informal Workers by Area and Sex, 2004-05

Usual Activity Status	Rural			Urban			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Own account worker	1.00	1.00	1.00	0.99	1.00	0.99	1.00	1.00	1.00
Employer	1.03	0.86	1.00	1.02	0.76	1.00	1.03	0.84	1.00
Unpaid family worker	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Regular wage employee	1.05	1.06	1.05	0.95	1.08	0.97	0.98	1.07	1.00
Casual labour in public	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Casual labour in others	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total	1.03	1.06	1.04	0.86	0.92	0.87	0.98	1.04	1.00

Source: ibid

Annex – 4.9**1. Estimated Number of Informal workers by Social Group, 2004-05 (million)**

Social group	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
ST	22.40	17.68	40.08	1.87	0.99	2.86	24.27	18.68	42.94
SC	44.74	26.62	71.36	10.69	3.79	14.48	55.43	30.41	85.84
OBC	88.65	52.77	141.42	27.74	8.72	36.46	116.40	61.49	177.89
Others	53.06	24.46	77.52	31.29	6.88	38.18	84.35	31.35	115.70
Non reporting	0.16	0.06	0.23	0.01	0.01	0.02	0.17	0.08	0.25
Total	209.01	121.60	330.62	71.60	20.40	91.99	280.61	142.00	422.61

Source: ibid

2. Percentage Distribution of Informal Workers by Usual Status, 2004-05 (Per cent)

Social group	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
ST	10.72	14.54	12.12	2.61	4.88	3.11	8.65	13.15	10.16
SC	21.41	21.89	21.58	14.93	18.57	15.74	19.75	21.41	20.31
OBC	42.42	43.40	42.78	38.75	42.74	39.64	41.48	43.30	42.09
Others	25.38	20.12	23.45	43.71	33.75	41.50	30.06	22.08	27.38
Non reporting	0.08	0.05	0.07	0.01	0.07	0.02	0.06	0.05	0.06
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: ibid

3. Indices of Shares of Informal Workers by Social Group, 2004-05 (Per cent)

Social group	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
ST	1.01	1.00	1.01	0.94	1.05	0.98	1.04	1.02	1.04
SC	1.01	1.01	1.01	1.01	1.03	1.02	1.02	1.01	1.02
OBC	1.01	1.00	1.00	1.06	1.07	1.07	1.03	1.01	1.02
Others	0.98	0.99	0.98	0.95	0.91	0.94	0.94	0.96	0.94
Non reporting	1.03	1.02	1.02	0.77	1.15	1.04	1.06	1.04	1.05
Total	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Source: ibid

4. Percentage Distribution of Informal Workers by Area and Sex, 2004-05 (Per cent)

Socialgroup	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
ST	52.16	41.18	93.34	4.35	2.32	6.66	56.50	43.50	100.00
SC	52.12	31.01	83.14	12.45	4.41	16.86	64.57	35.43	100.00
OBC	49.84	29.66	79.50	15.60	4.90	20.50	65.43	34.57	100.00
Others	45.86	21.14	67.00	27.05	5.95	33.00	72.91	27.09	100.00
Non reporting	66.29	25.71	92.01	2.26	5.73	7.99	68.55	31.45	100.00
Total	49.46	28.77	78.23	16.94	4.83	21.77	66.40	33.60	100.00

Source: ibid

5. Indices of Shares of Informal Workers by Area and Sex, 2004-05

Socialgroup	Rural			Urban			Rural + Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
ST	1.01	1.03	1.02	0.77	0.93	0.82	0.98	1.02	1.00
SC	1.02	1.05	1.03	0.85	0.93	0.87	0.98	1.03	1.00
OBC	1.02	1.04	1.03	0.89	0.96	0.91	0.99	1.03	1.00
Others	1.07	1.11	1.08	0.86	0.89	0.87	0.98	1.05	1.00
Non reporting	1.01	1.03	1.01	0.63	1.01	0.86	0.99	1.02	1.00
Total	1.03	1.06	1.04	0.86	0.92	0.87	0.98	1.04	1.00

Source: ibid

Annex – 4.10**1. Estimated Number of Informal worker in Rural Sector by MPCE, 2004-05 (million)**

MPCE Class	Male	Female	Total
less than 235	5.43	4.02	9.45
235-270	6.63	4.39	11.02
270-320	16.54	9.97	26.50
320-365	20.45	12.63	33.08
365-410	21.15	12.75	33.90
410-455	20.89	12.53	33.43
455-510	23.57	13.39	36.96
510-580	25.25	14.14	39.39
580-690	26.51	14.36	40.87
690-890	23.18	13.11	36.29
890-1155	11.68	6.29	17.97
1155 & above	7.74	4.01	11.75
Total	209.01	121.60	330.62

Source: ibid

2. Percentage Distribution of Informal Workers in Rural Sector by MPCE, 2004-05 (Per cent)

MPCE Class	Male	Female	Total
less than 235	2.60	3.31	2.86
235-270	3.17	3.61	3.33
270-320	7.91	8.20	8.02
320-365	9.78	10.39	10.01
365-410	10.12	10.48	10.25
410-455	10.00	10.31	10.11
455-510	11.28	11.01	11.18
510-580	12.08	11.63	11.91
580-690	12.68	11.81	12.36
690-890	11.09	10.78	10.98
890-1155	5.59	5.18	5.44
1155 & above	3.70	3.30	3.55
Total	100.00	100.00	100.00

Source: ibid

3. Indices of Shares of Informal Workers in Rural Sector by MPCE, 2004-05

MPCE Class	Male	Female	Total
less than 235	1.04	1.02	1.03
235-270	1.03	1.01	1.03
270-320	1.03	1.01	1.03
320-365	1.04	1.01	1.03
365-410	1.03	1.01	1.02
410-455	1.03	1.01	1.02
455-510	1.02	1.00	1.02
510-580	1.01	1.01	1.01
580-690	1.00	1.00	1.00
690-890	0.97	0.99	0.98
890-1155	0.92	0.98	0.94
1155 & above	0.78	0.87	0.81
Total	1.00	1.00	1.00

Source: ibid

4. Percentage Distribution of Informal Workers in Rural Sector by Sex, 2004-05 (Per cent)

MPCE Class	Male	Female	Total
less than 235	57.42	42.58	100.00
235-270	60.16	39.84	100.00
270-320	62.39	37.61	100.00
320-365	61.82	38.18	100.00
365-410	62.40	37.60	100.00
410-455	62.51	37.49	100.00
455-510	63.78	36.22	100.00
510-580	64.09	35.91	100.00
580-690	64.86	35.14	100.00
690-890	63.88	36.12	100.00
890-1155	64.97	35.03	100.00
1155 & above	65.87	34.13	100.00
Total	63.22	36.78	100.00

Source: ibid

5. Indices of Shares of Informal Workers in Rural Sector by Sex, 2004-05

MPCE Class	Male	Female	Total
less than 235	1.00	1.00	1.00
235-270	1.00	1.00	1.00
270-320	1.00	1.00	1.00
320-365	1.00	1.00	1.00
365-410	1.00	1.01	1.00
410-455	1.00	1.01	1.00
455-510	1.00	1.01	1.00
510-580	0.99	1.01	1.00
580-690	0.99	1.01	1.00
690-890	0.98	1.03	1.00
890-1155	0.97	1.06	1.00
1155 & above	0.96	1.09	1.00
Total	0.99	1.02	1.00

Source: ibid

Annex – 4.11**1. Estimated Number of Informal worker in Urban Sector by MPCE, 2004-05 (million)**

MPCE Class	Male	Female	Total
less than 335	2.98	1.22	4.20
335-395	3.38	1.40	4.78
395-485	7.33	2.76	10.09
485-580	9.09	2.99	12.08
580-675	8.75	2.74	11.49
675-790	7.71	2.04	9.75
790-930	7.80	1.89	9.69
930-1100	6.78	1.55	8.33
1100-1380	6.66	1.37	8.04
1380-1880	6.01	1.26	7.26
1880-2540	2.98	0.59	3.57
2540 & above	2.13	0.60	2.73
Total	71.60	20.40	91.99

Source: ibid

2. Percentage Distribution of Informal Workers in Urban Sector by MPCE, 2004-05 (Per cent)

MPCE Class	Male	Female	Total
less than 335	4.17	5.96	4.56
335-395	4.72	6.85	5.19
395-485	10.24	13.52	10.97
485-580	12.70	14.65	13.13
580-675	12.22	13.41	12.49
675-790	10.77	10.02	10.60
790-930	10.89	9.26	10.53
930-1100	9.47	7.59	9.05
1100-1380	9.31	6.74	8.74
1380-1880	8.39	6.17	7.90
1880-2540	4.16	2.89	3.88
2540 & above	2.97	2.94	2.97
Total	100.00	100.00	100.00

Source: ibid

3. Indices of Shares of Informal Workers in Urban Sector by MPCE, 2004-05

MPCE Class	Male	Female	Total
less than 335	1.23	1.16	1.22
335-395	1.22	1.15	1.21
395-485	1.19	1.16	1.19
485-580	1.17	1.13	1.16
580-675	1.13	1.12	1.13
675-790	1.08	1.09	1.08
790-930	1.03	1.05	1.03
930-1100	0.97	0.99	0.97
1100-1380	0.89	0.88	0.88
1380-1880	0.78	0.77	0.78
1880-2540	0.70	0.56	0.67
2540 & above	0.59	0.50	0.57
Total	1.00	1.00	1.00

Source: ibid

4. Percentage Distribution of Informal Workers in Urban Sector by Sex, 2004-05 (Per cent)

MPCE Class	Male	Female	Total
less than 335	71.05	28.95	100.00
335-395	70.77	29.23	100.00
395-485	72.66	27.34	100.00
485-580	75.25	24.75	100.00
580-675	76.18	23.82	100.00
675-790	79.04	20.96	100.00
790-930	80.49	19.51	100.00
930-1100	81.41	18.59	100.00
1100-1380	82.90	17.10	100.00
1380-1880	82.68	17.32	100.00
1880-2540	83.48	16.52	100.00
2540 & above	78.01	21.99	100.00
Total	77.83	22.17	100.00

Source: ibid

5. Indices of Shares of Informal Workers in Urban Sector by Sex, 2004-05

MPCE Class	Male	Female	Total
less than 335	1.00	1.01	1.00
335-395	1.00	1.01	1.00
395-485	0.99	1.03	1.00
485-580	0.99	1.03	1.00
580-675	0.98	1.05	1.00
675-790	0.98	1.07	1.00
790-930	0.98	1.07	1.00
930-1100	0.98	1.08	1.00
1100-1380	0.99	1.05	1.00
1380-1880	0.99	1.04	1.00
1880-2540	1.03	0.88	1.00
2540 & above	1.02	0.93	1.00
Total	0.98	1.06	1.00

Source: ibid

Annex – 4.12**Estimated Number of Informal workers by States, 2004-05 (in 000)**

State	Rural			Urban			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Andhra Pradesh	16886	13402	30288	5465	2255	7720	22351	15657	38008
Arunachal Pradesh	187	150	336	18	6	24	205	155	360
Assam	6549	2169	8718	587	105	691	7135	2273	9409
Bihar	17262	4524	21786	1689	225	1914	18951	4749	23700
Goa	130	54	184	89	32	121	219	86	305
Gujarat	10066	6908	16974	4736	1220	5957	14802	8129	22931
Haryana	4240	2516	6756	1622	351	1973	5861	2867	8728
Himachal Pradesh	1435	1460	2896	177	54	231	1612	1515	3127
J&K	1396	667	2063	457	92	548	1853	759	2611
Karnataka	10959	7976	18935	4488	1266	5754	15446	9242	24688
Kerala	5495	2707	8202	2049	660	2710	7545	3368	10912
Madhya Pradesh	13900	8538	22438	3894	1114	5008	17794	9652	27446
Maharashtra	16247	13379	29626	10692	3288	13980	26939	16667	43606
Manipur	372	256	628	96	54	149	468	310	778
Meghalaya	516	430	947	43	26	69	559	457	1016
Mizoram	128	89	217	54	39	93	182	128	309
Nagaland	132	133	265	47	29	76	179	162	341
Orissa	9568	5422	14990	1248	362	1610	10815	5784	16600
Punjab	4640	2587	7227	2401	435	2836	7041	3022	10063
Rajasthan	11513	8999	20512	3625	1306	4930	15138	10305	25443
Sikkim	116	64	180	14	4	17	130	67	197
Tamil Nadu	10332	8331	18662	6368	2683	9051	16699	11014	27713
Tripura	795	116	911	91	17	108	886	132	1019
Uttar Pradesh	35326	16345	51671	9742	2066	11808	45067	18411	63479
West Bengal	17870	5286	23156	6210	1600	7810	24080	6886	30966
Jharkhand	5580	3140	8720	902	274	1176	6482	3414	9896
Chhattisgarh	5356	4438	9795	876	310	1186	6232	4748	10980
Uttaranchal	1528	1369	2897	487	111	598	2015	1480	3495
A&N	48	19	68	19	5	25	68	25	92
Chandigarh	35	2	37	168	30	198	203	32	235
D&N	50	40	90	6	2	8	55	42	97
D&D	25	6	31	14	7	21	39	13	52
Delhi	246	19	265	3085	328	3413	3331	347	3678
Lakshadweep	8	0	8	4	1	5	11	1	13
Pondicherry	80	58	138	135	44	178	214	102	316
Total	209015	121600	330615	71595	20400	91995	280610	142000	422610

Source: ibid

Annex – 4.13**Share of Informal Workers to Total Workers, 2004-05 (Per cent)**

State	Rural			Urban			Total			Rank
	Male	Female	Total	Male	Female	Total	Male	Female	Total	
Andhra Pradesh	96.47	97.35	96.86	82.18	88.97	84.05	92.53	96.05	93.95	8
Arunachal Pradesh	88.56	98.07	92.56	54.11	66.92	56.71	83.89	96.44	88.88	21
Assam	92.33	92.86	92.46	68.85	68.64	68.81	89.81	91.38	90.19	16
Bihar	98.56	99.55	98.76	84.57	93.04	85.48	97.13	99.22	97.54	1
Goa	77.94	78.33	78.05	64.61	70.12	65.97	71.91	75.07	72.77	32
Gujarat	95.57	99.10	96.98	76.71	89.81	79.07	88.60	97.59	91.59	10
Haryana	91.21	98.82	93.90	78.76	82.91	79.47	87.39	96.55	90.20	14
Himachal Pradesh	88.01	96.76	92.22	69.38	75.84	70.79	85.49	95.81	90.20	15
J&K	89.61	98.30	92.24	75.49	83.59	76.73	85.66	96.25	88.49	24
Karnataka	95.87	98.61	97.01	78.18	78.79	78.31	89.96	95.33	91.90	9
Kerala	81.84	81.12	81.60	82.58	73.96	80.30	82.04	79.61	81.27	30
Madhya Pradesh	97.63	99.51	98.34	79.92	89.07	81.79	93.12	98.18	94.84	5
Maharashtra	94.01	99.11	96.25	77.24	81.39	78.18	86.55	95.03	89.61	19
Manipur	89.57	98.15	92.88	70.32	84.74	74.90	84.81	95.53	88.79	22
Meghalaya	93.15	96.83	94.79	54.86	46.49	51.33	88.45	91.12	89.63	18
Mizoram	91.73	97.93	94.18	63.35	82.93	70.28	80.96	92.85	85.49	25
Nagaland	82.03	97.16	88.97	62.95	84.84	69.92	76.02	94.67	83.88	27
Orissa	95.96	98.76	96.95	74.70	84.65	76.73	92.91	97.74	94.53	6
Punjab	93.19	98.30	94.96	83.11	75.86	81.91	89.49	94.28	90.88	13
Rajasthan	96.56	99.53	97.84	83.27	92.23	85.47	93.01	98.55	95.17	3
Sikkim	84.67	92.19	87.19	65.81	68.69	66.40	82.17	90.49	84.83	26
Tamil Nadu	94.68	97.78	96.04	77.26	85.03	79.41	87.18	94.33	89.89	17
Tripura	93.51	94.54	93.64	65.39	61.59	64.76	89.55	88.52	89.41	20
Uttar Pradesh	97.62	99.49	98.20	85.17	93.45	86.51	94.63	98.78	95.80	2
West Bengal	95.39	95.24	95.35	78.80	89.24	80.73	90.47	93.77	91.19	11
Jharkhand	96.41	99.32	97.44	70.93	88.16	74.32	91.82	98.32	93.97	7
Chhattisgarh	96.82	99.35	97.95	73.57	89.06	77.07	92.70	98.60	95.17	4
Uttaranchal	92.74	99.16	95.66	72.89	77.68	73.73	87.01	97.15	91.03	12
A&N	76.75	85.86	79.16	49.88	60.92	51.92	66.51	78.92	69.44	33
Chandigarh	90.63	92.26	90.72	60.38	48.73	58.26	64.08	50.22	61.75	34
D&N	86.67	99.30	91.88	58.29	82.66	63.12	82.54	98.36	88.70	23
D&D	82.50	89.36	83.76	80.08	91.18	83.32	81.61	90.29	83.59	28
Delhi	82.61	89.42	83.06	76.62	63.48	75.13	77.03	64.48	75.65	31
Lakshadweep	68.11	31.32	66.14	44.68	50.33	45.75	58.43	45.45	56.94	35
Pondicherry	89.42	95.74	91.97	74.66	86.67	77.28	79.55	91.61	83.06	29
Total	95.42	98.04	96.37	79.20	85.01	80.42	90.68	95.93	92.38	

Source: ibid

Annex – 4.14**Percentage Distribution of Informal Workers by States, 2004-05 (Per cent)**

State	Rural			Urban			Total			Rank
	Male	Female	Total	Male	Female	Total	Male	Female	Total	
Andhra Pradesh	8.08	11.02	9.16	7.63	11.05	8.39	7.97	11.03	8.99	3
Arunachal Pradesh	0.09	0.12	0.10	0.02	0.03	0.03	0.07	0.11	0.09	25
Assam	3.13	1.78	2.64	0.82	0.51	0.75	2.54	1.60	2.23	16
Bihar	8.26	3.72	6.59	2.36	1.10	2.08	6.75	3.34	5.61	9
Goa	0.06	0.04	0.06	0.12	0.16	0.13	0.08	0.06	0.07	29
Gujarat	4.82	5.68	5.13	6.62	5.98	6.48	5.27	5.72	5.43	10
Haryana	2.03	2.07	2.04	2.26	1.72	2.14	2.09	2.02	2.07	17
Himachal Pradesh	0.69	1.20	0.88	0.25	0.27	0.25	0.57	1.07	0.74	20
J&K	0.67	0.55	0.62	0.64	0.45	0.60	0.66	0.53	0.62	21
Karnataka	5.24	6.56	5.73	6.27	6.21	6.25	5.50	6.51	5.84	8
Kerala	2.63	2.23	2.48	2.86	3.24	2.95	2.69	2.37	2.58	13
Madhya Pradesh	6.65	7.02	6.79	5.44	5.46	5.44	6.34	6.80	6.49	6
Maharashtra	7.77	11.00	8.96	14.93	16.12	15.20	9.60	11.74	10.32	2
Manipur	0.18	0.21	0.19	0.13	0.26	0.16	0.17	0.22	0.18	24
Meghalaya	0.25	0.35	0.29	0.06	0.13	0.08	0.20	0.32	0.24	23
Mizoram	0.06	0.07	0.07	0.08	0.19	0.10	0.06	0.09	0.07	28
Nagaland	0.06	0.11	0.08	0.07	0.14	0.08	0.06	0.11	0.08	26
Orissa	4.58	4.46	4.53	1.74	1.78	1.75	3.85	4.07	3.93	11
Punjab	2.22	2.13	2.19	3.35	2.13	3.08	2.51	2.13	2.38	14
Rajasthan	5.51	7.40	6.20	5.06	6.40	5.36	5.39	7.26	6.02	7
Sikkim	0.06	0.05	0.05	0.02	0.02	0.02	0.05	0.05	0.05	31
Tamil Nadu	4.94	6.85	5.64	8.89	13.15	9.84	5.95	7.76	6.56	5
Tripura	0.38	0.10	0.28	0.13	0.08	0.12	0.32	0.09	0.24	22
Uttar Pradesh	16.90	13.44	15.63	13.61	10.13	12.84	16.06	12.97	15.02	1
West Bengal	8.55	4.35	7.00	8.67	7.84	8.49	8.58	4.85	7.33	4
Jharkhand	2.67	2.58	2.64	1.26	1.34	1.28	2.31	2.40	2.34	15
Chhattisgarh	2.56	3.65	2.96	1.22	1.52	1.29	2.22	3.34	2.60	12
Uttaranchal	0.73	1.13	0.88	0.68	0.54	0.65	0.72	1.04	0.83	19
A&N	0.02	0.02	0.02	0.03	0.03	0.03	0.02	0.02	0.02	33
Chandigarh	0.02	0.00	0.01	0.23	0.15	0.22	0.07	0.02	0.06	30
D&N	0.02	0.03	0.03	0.01	0.01	0.01	0.02	0.03	0.02	32
D&D	0.01	0.01	0.01	0.02	0.03	0.02	0.01	0.01	0.01	34
Delhi	0.12	0.02	0.08	4.31	1.61	3.71	1.19	0.24	0.87	18
Lakshadweep	0.00	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00	35
Pondicherry	0.04	0.05	0.04	0.19	0.21	0.19	0.08	0.07	0.07	27
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	

Source: ibid

Annex – 4.15**Indices of Shares of Informal Workers by States, 2004-05**

State	Rural			Urban			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Andhra Pradesh	1.01	0.99	1.01	1.04	1.05	1.05	1.02	1.00	1.02
Arunachal Pradesh	0.93	1.00	0.96	0.68	0.79	0.71	0.93	1.01	0.96
Assam	0.97	0.95	0.96	0.87	0.81	0.86	0.99	0.95	0.98
Bihar	1.03	1.02	1.02	1.07	1.09	1.06	1.07	1.03	1.06
Goa	0.82	0.80	0.81	0.82	0.82	0.82	0.79	0.78	0.79
Gujarat	1.00	1.01	1.01	0.97	1.06	0.98	0.98	1.02	0.99
Haryana	0.96	1.01	0.97	0.99	0.98	0.99	0.96	1.01	0.98
Himachal Pradesh	0.92	0.99	0.96	0.88	0.89	0.88	0.94	1.00	0.98
J&K	0.94	1.00	0.96	0.95	0.98	0.95	0.94	1.00	0.96
Karnataka	1.00	1.01	1.01	0.99	0.93	0.97	0.99	0.99	0.99
Kerala	0.86	0.83	0.85	1.04	0.87	1.00	0.90	0.83	0.88
Madhya Pradesh	1.02	1.01	1.02	1.01	1.05	1.02	1.03	1.02	1.03
Maharashtra	0.99	1.01	1.00	0.98	0.96	0.97	0.95	0.99	0.97
Manipur	0.94	1.00	0.96	0.89	1.00	0.93	0.94	1.00	0.96
Meghalaya	0.98	0.99	0.98	0.69	0.55	0.64	0.98	0.95	0.97
Mizoram	0.96	1.00	0.98	0.80	0.98	0.87	0.89	0.97	0.93
Nagaland	0.86	0.99	0.92	0.79	1.00	0.87	0.84	0.99	0.91
Orissa	1.01	1.01	1.01	0.94	1.00	0.95	1.02	1.02	1.02
Punjab	0.98	1.00	0.99	1.05	0.89	1.02	0.99	0.98	0.98
Rajasthan	1.01	1.02	1.02	1.05	1.08	1.06	1.03	1.03	1.03
Sikkim	0.89	0.94	0.90	0.83	0.81	0.83	0.91	0.94	0.92
Tamil Nadu	0.99	1.00	1.00	0.98	1.00	0.99	0.96	0.98	0.97
Tripura	0.98	0.96	0.97	0.83	0.72	0.81	0.99	0.92	0.97
Uttar Pradesh	1.02	1.01	1.02	1.08	1.10	1.08	1.04	1.03	1.04
West Bengal	1.00	0.97	0.99	0.99	1.05	1.00	1.00	0.98	0.99
Jharkhand	1.01	1.01	1.01	0.90	1.04	0.92	1.01	1.02	1.02
Chhattisgarh	1.01	1.01	1.02	0.93	1.05	0.96	1.02	1.03	1.03
Uttaranchal	0.97	1.01	0.99	0.92	0.91	0.92	0.96	1.01	0.99
A&N	0.80	0.88	0.82	0.63	0.72	0.65	0.73	0.82	0.75
Chandigarh	0.95	0.94	0.94	0.76	0.57	0.72	0.71	0.52	0.67
D&N	0.91	1.01	0.95	0.74	0.97	0.78	0.91	1.03	0.96
D&D	0.86	0.91	0.87	1.01	1.07	1.04	0.90	0.94	0.90
Delhi	0.87	0.91	0.86	0.97	0.75	0.93	0.85	0.67	0.82
Lakshadweep	0.71	0.32	0.69	0.56	0.59	0.57	0.64	0.47	0.62
Pondicherry	0.94	0.98	0.95	0.94	1.02	0.96	0.88	0.96	0.90
Total	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Source: ibid

Annex – 4.16**Percentage Distribution of Informal Workers by Area and Sex, 2004-05 (Per cent)**

State	Rural			Urban			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Andhra Pradesh	44.43	35.26	79.69	14.38	5.93	20.31	58.81	41.19	100.00
Arunachal Pradesh	51.86	41.60	93.46	4.97	1.56	6.54	56.84	43.16	100.00
Assam	69.60	23.05	92.65	6.24	1.11	7.35	75.84	24.16	100.00
Bihar	72.83	19.09	91.92	7.13	0.95	8.08	79.96	20.04	100.00
Goa	42.69	17.71	60.40	29.19	10.41	39.60	71.88	28.12	100.00
Gujarat	43.90	30.13	74.02	20.66	5.32	25.98	64.55	35.45	100.00
Haryana	48.57	28.83	77.40	18.58	4.02	22.60	67.15	32.85	100.00
Himachal Pradesh	45.89	46.70	92.60	5.67	1.74	7.40	51.56	48.44	100.00
J&K	53.46	25.54	78.99	17.50	3.51	21.01	70.95	29.05	100.00
Karnataka	44.39	32.31	76.70	18.18	5.13	23.30	62.57	37.43	100.00
Kerala	50.36	24.81	75.17	18.78	6.05	24.83	69.14	30.86	100.00
Madhya Pradesh	50.65	31.11	81.75	14.19	4.06	18.25	64.83	35.17	100.00
Maharashtra	37.26	30.68	67.94	24.52	7.54	32.06	61.78	38.22	100.00
Manipur	47.81	32.96	80.78	12.31	6.91	19.22	60.12	39.88	100.00
Meghalaya	50.84	42.37	93.21	4.19	2.60	6.79	55.03	44.97	100.00
Mizoram	41.27	28.83	70.11	17.41	12.48	29.89	58.68	41.32	100.00
Nagaland	38.76	38.95	77.72	13.68	8.60	22.28	52.44	47.56	100.00
Orissa	57.64	32.66	90.30	7.52	2.18	9.70	65.15	34.85	100.00
Punjab	46.11	25.71	71.82	23.86	4.32	28.18	69.97	30.03	100.00
Rajasthan	45.25	35.37	80.62	14.25	5.13	19.38	59.50	40.50	100.00
Sikkim	58.85	32.28	91.13	6.99	1.88	8.87	65.85	34.15	100.00
Tamil Nadu	37.28	30.06	67.34	22.98	9.68	32.66	60.26	39.74	100.00
Tripura	78.05	11.35	89.39	8.96	1.65	10.61	87.00	13.00	100.00
Uttar Pradesh	55.65	25.75	81.40	15.35	3.26	18.60	71.00	29.00	100.00
West Bengal	57.71	17.07	74.78	20.05	5.17	25.22	77.76	22.24	100.00
Jharkhand	56.39	31.73	88.11	9.11	2.77	11.89	65.50	34.50	100.00
Chhattisgarh	48.78	40.42	89.20	7.97	2.82	10.80	56.76	43.24	100.00
Uttaranchal	43.72	39.17	82.89	13.94	3.17	17.11	57.66	42.34	100.00
A&N	52.26	21.07	73.33	20.91	5.76	26.67	73.17	26.83	100.00
Chandigarh	14.92	0.86	15.78	71.41	12.81	84.22	86.33	13.67	100.00
D&N	51.02	41.09	92.11	5.84	2.05	7.89	56.86	43.14	100.00
D&D	48.44	11.87	60.32	26.98	12.70	39.68	75.43	24.57	100.00
Delhi	6.69	0.51	7.20	83.88	8.92	92.80	90.57	9.43	100.00
Lakshadweep	62.14	1.62	63.76	28.70	7.54	36.24	90.84	9.16	100.00
Pondicherry	25.27	18.32	43.58	42.61	13.81	56.42	67.87	32.13	100.00
Total	49.46	28.77	78.23	16.94	4.83	21.77	66.40	33.60	100.00

Source: ibid

Annex – 4.17**Indices of Shares of Informal Workers by Area and Sex, 2004-05**

State	Rural			Urban			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Andhra Pradesh	1.03	1.04	1.03	0.87	0.95	0.89	0.98	1.02	1.00
Arunachal Pradesh	1.00	1.10	1.04	0.61	0.75	0.64	0.94	1.09	1.00
Assam	1.02	1.03	1.03	0.76	0.76	0.76	1.00	1.01	1.00
Bihar	1.01	1.02	1.01	0.87	0.95	0.88	1.00	1.02	1.00
Goa	1.07	1.08	1.07	0.89	0.96	0.91	0.99	1.03	1.00
Gujarat	1.04	1.08	1.06	0.84	0.98	0.86	0.97	1.07	1.00
Haryana	1.01	1.10	1.04	0.87	0.92	0.88	0.97	1.07	1.00
Himachal Pradesh	0.98	1.07	1.02	0.77	0.84	0.78	0.95	1.06	1.00
J&K	1.01	1.11	1.04	0.85	0.94	0.87	0.97	1.09	1.00
Karnataka	1.04	1.07	1.06	0.85	0.86	0.85	0.98	1.04	1.00
Kerala	1.01	1.00	1.00	1.02	0.91	0.99	1.01	0.98	1.00
Madhya Pradesh	1.03	1.05	1.04	0.84	0.94	0.86	0.98	1.04	1.00
Maharashtra	1.05	1.11	1.07	0.86	0.91	0.87	0.97	1.06	1.00
Manipur	1.01	1.11	1.05	0.79	0.95	0.84	0.96	1.08	1.00
Meghalaya	1.04	1.08	1.06	0.61	0.52	0.57	0.99	1.02	1.00
Mizoram	1.07	1.15	1.10	0.74	0.97	0.82	0.95	1.09	1.00
Nagaland	0.98	1.16	1.06	0.75	1.01	0.83	0.91	1.13	1.00
Orissa	1.02	1.04	1.03	0.79	0.90	0.81	0.98	1.03	1.00
Punjab	1.03	1.08	1.04	0.91	0.83	0.90	0.98	1.04	1.00
Rajasthan	1.01	1.05	1.03	0.87	0.97	0.90	0.98	1.04	1.00
Sikkim	1.00	1.09	1.03	0.78	0.81	0.78	0.97	1.07	1.00
Tamil Nadu	1.05	1.09	1.07	0.86	0.95	0.88	0.97	1.05	1.00
Tripura	1.05	1.06	1.05	0.73	0.69	0.72	1.00	0.99	1.00
Uttar Pradesh	1.02	1.04	1.03	0.89	0.98	0.90	0.99	1.03	1.00
West Bengal	1.05	1.04	1.05	0.86	0.98	0.89	0.99	1.03	1.00
Jharkhand	1.03	1.06	1.04	0.75	0.94	0.79	0.98	1.05	1.00
Chhattisgarh	1.02	1.04	1.03	0.77	0.94	0.81	0.97	1.04	1.00
Uttaranchal	1.02	1.09	1.05	0.80	0.85	0.81	0.96	1.07	1.00
A&N	1.11	1.24	1.14	0.72	0.88	0.75	0.96	1.14	1.00
Chandigarh	1.47	1.49	1.47	0.98	0.79	0.94	1.04	0.81	1.00
D&N	0.98	1.12	1.04	0.66	0.93	0.71	0.93	1.11	1.00
D&D	0.99	1.07	1.00	0.96	1.09	1.00	0.98	1.08	1.00
Delhi	1.09	1.18	1.10	1.01	0.84	0.99	1.02	0.85	1.00
Lakshadweep	1.20	0.55	1.16	0.78	0.88	0.80	1.03	0.80	1.00
Pondicherry	1.08	1.15	1.11	0.90	1.04	0.93	0.96	1.10	1.00
Total	1.03	1.06	1.04	0.86	0.92	0.87	0.98	1.04	1.00

Source: ibid

Appendix

Appendix-I

The Terms of Reference given to the Commission are:

- i) Review of the status of unorganized/informal sector in India including the nature of enterprises, their size, spread and scope, and magnitude of employment;
- ii) Identify constraints faced by small enterprises with regard to freedom of carrying out the enterprise, access to raw materials, finance, skills, entrepreneurship development, infrastructure, technology and markets and suggest measures to provide institutional support and linkages to facilitate easy access to them;
- iii) Suggest the legal and policy environment that should govern the informal/unorganized sector for growth, employment, exports and promotion;
- iv) Examine the range of existing programmes that relate to employment generation in the informal/unorganized sector and suggest improvement for their redesign;
- v) Identify innovative legal and financing instruments to promote the growth of the informal sector;
- vi) Review the existing arrangements for estimating employment and unemployment in the informal sector, and examine why the rate of growth in employment has stagnated in the 1990s;
- vii) Suggest elements of an employment strategy focusing on the informal sector;

Appendix-II**Past and Present Composition of the Commission**

The composition of the Commission is as follows:

Professor Arjun Sengupta Chairman, Centre for Development and Human Rights, New Delhi	Chairman [From 20.09.2004 to 01.07.2005 and from 17.11.2005 till date]
Shri V.K. Malhotra, IAS (Retd.)	Member Secretary [From 01. 03.2006 till date]
Professor K. Jayashankar Former Vice Chancellor, Kakatiya University, Warangal, Andhra Pradesh	Full-time Member [From 01.12.2004 to 9.03.2006]
Professor K. P. Kannan Fellow, Centre for Development Studies, Ulloor, Thiruvananthapuram 695011, Kerala	Full-time Member [From 01.11.2004 till date]
Professor Ravi S. Srivastava Professor, Centre for Studies in Regional Development, Jawaharlal Nehru University, New Delhi 110067	Full-time Member [From 01.05.2006 till date]
Shri B.N. Yugandhar Member, Planning Commission, New Delhi 110001	Part-time Member [From 05.11.2004 till date]
Professor T.S. Papola Director, Institute for Studies in Industrial Development, Vasant Kunj Institutional Area, New Delhi.110070	Part-time Member [From 06.04.2005 till date]
Shri Bibek Debroy, Director, Rajiv Gandhi Institute for Contemporary Studies, New Delhi 110001.	Part-time Member [From 27.10.2004 to 20.12.2005]
Shri K.K. Jaswal, IAS (Retd.)	Member Secretary [From 01.11.2004 to 18.02.2006]

Composition of the Advisory Board

1. Professor Bhalchandra Mungekar,
Member, Planning Commission,
Yojana Bhavan,
New Delhi.
2. Swami Agnivesh,
President, Bonded Labour Liberation Front,
13, South Avenue,
New Delhi.
2. Professor Sheila Bhalla,
(Formerly Professor of Economics,
Jawaharlal Nehru University, New Delhi)
Institute of Human Development,
Old IAMI Building (3rd Floor).
I.P.Estate, Mahatma Gandhi Marg,
New Delhi-110002.
4. Professor Mahendra Dev,
Director,
Centre for Economic and Social Studies,
Begumpet, Hyderabad.
5. Ms. Madhu Kishwar,
Editor,
Manushi C-1/3 Sangam Estate,
1, Underhill Road, Civil Lines,
Delhi-110054.
6. Ms. Mirai Chatterjee,
Self-Employed Women's Association (SEWA)
Opposite Victoria Garden,
Bhadra,
Ahmedabad-380001.
7. Shri Joginder Kumar President,
Federation of Tiny & Small Scale Industries of India
(FTSSI),
General Metal Industries,
B-189, Industrial Estate,
Ludhiana, Punjab.
8. Professor Jean Dreze,
Delhi School of Economics,
Department of Economics,
Delhi University,
Delhi-110007.
9. Professor Amit Bhaduri,
Council for Social Development,
53, Lodhi Estate,
New Delhi - 110003.
10. Shri Nachiket Mor,
Executive Director,
ICICI Bank Limited ICICI Tower,
Bandra Kurla Complex,
Mumbai.

Appendix-IV

A-25022/11/2005-NCEUS
Government of India
National Commission for Enterprises in the Unorganized Sector

16th/19th Floor, Jawahar Vyapar Bhawan,
1 Tolstoy Marg, New Delhi 11001
Dated the 16th May, 2005

ORDER

Subject: Constitution of Task Force on Definitional and Statistical Issues relating to the Unorganised Sector.

It has been decided that a Task force on Definitional and Statistical Issues relating to the Unorganised Sector be set up.

2. The composition of the Task Force shall be as follows:

- | | | |
|----|--|----------|
| 1. | Dr. Arjun K. Sengupta,
Chairman, National Commission for Enterprises
in the Unorganised Sector,(NCEUS),
19 th Floor, 1, Tolstoy Marg,
Jawahar Vyapar Bhavan, New Delhi-110001
Tel: 23701111/12, E-mail: sengupta.nce@nic.in | Chairman |
| 2. | Dr. K.P. Kannan,
Member, NCEUS,
19 th Floor, 1, Tolstoy Marg,
Jawahar Vyapar Bhavan, New Delhi-110001.
Tel: 23701060/1033 Fax: 23701234
E-mail: kannan.nce@nic.in | Member |
| 3. | Dr. T.S. Papola,
Part Time Member, NCEUS,
Director, Labour Expert,
Institute for Studies for Industrial Development,
Narendra Niketan, I.P. Estate, New Delhi-110002
Tel: 28844035, 28844032,
E-mail: papola@vidur.delhi.nic.in | Member |
| 4. | Dr. N.S. Sastry,
Parsila Bhavan, N.C.A.E.R. 11,
I.P. Estate, M.G. Road, New Delhi-110002 | Member |

- | | | |
|----|---|----------|
| 5. | Dr. Sheila Bhalla,
Member, Advisory Board, NCEUS,
Institute for Human Development,
NIDM, Building, (3 rd Floor), I.P. Estate,
Mahatma Gandhi Marg, New Delhi-2 | Member |
| 6. | Ms. Renana Jhabwala,
President, SEWA BHARAT,
7/5, First Floor, South Patel Nagar, New Delhi – 08.
Tel. No. 011 – 2584 1369. E-mail @sewa bharat.org. | Member, |
| 7. | Dr. G. Raveendran,
Additional Director General,
Central Statistical Organisation
Sardar Patel Bhavan, Parliament Street,
New Delhi-110001 | Member |
| 8. | Shri S.V. Ramana Murthy
Deputy Secretary, NCEUS
19 th Floor, 1 Tolstoy Marg, Jawahar Vyapar Bhavan,
New Delhi-110001. | Convenor |

3 The Terms of Reference of the Task Force shall be as follows:

- 3.1 Critically examine the existing definitions of unorganized and informal sectors for purposes of estimation of employment and income;
- 3.2 In the light of the above, suggest a criterion or a set of criteria for defining the unorganized and informal sectors and discuss their merits and demerits.
- 3.3. Suggest improvements/revisions/alternatives for formulating a common definition for the unorganized and/or informal sector cutting across the nature of economic activity (manufacturing and services);
- 3.4. Review the methodology for measurement of employment as suggested by the Dantawala Committee so as to incorporate the dimensions of earnings and productivity;
- 3.5. Examine the existing methodologies for estimating employment and income in the unorganized and informal sectors and suggest suitable modifications in line with the foregoing
- 3.6 Critically analyze the case for a separate treatment of agriculture sector and agriculture workers within the unorganized/informal sector. If they ought to be treated separately, suggest appropriate ways of estimating income, employment and related aspects;
- 3.7 Develop a methodology of modifying the present estimates of employment, obtained from the NSSO surveys in line with the "new definition" of informal sector to arrive at revised estimates of employment, without compromising the comparability of estimates over time;
- 3.8 Identify the characteristics of the Informal Sector in terms of employment and investment in plant and machinery and/or output with a view to assessing the employment potential of the sector; and
- 3.9 To consider any other matter related with or incidental to the above Terms of Reference.

4. The Chairman of the Group may co-opt any other person as Member of the Group.
5. The Chairman may invite specialists to particular meetings of the Special Group.
6. The Task Force shall submit its draft report within six months of the issue of the Order and its final report within eight months.
7. The expenses towards TA/DA of the official members of the Task Force shall be met by the Government Departments/Institutions to which they belong. The TA/DA of non-official Members and invitees to meetings will be paid by NCEUS as admissible to Grade I Officers of the Government of India.

(SURESH KUMAR)
Under Secretary (NCEUS)

To

1. Dr. Arjun K. Sengupta, Chairman
2. Dr. K.P. Kannan, Member
3. Dr. T.S. Papola, Part Time Member,
Director, Labour Expert, Institute for Studies for Industrial Development,
Narendra Niketan, I.P. Estate, New Delhi-110002
Tel: 28844035, 28844032, E-mail: papola@vidur.delhi.nic.in
4. Dr. N.S. Sastry,
Parsila Bhavan, N.C.A.E.R. 11,
I.P. Estate, M.G. Road, New Delhi-110002
5. Dr. Sheila Bhalla,
Institute for Human Development,
NIDM, Building, (3rd Floor), I.P. Estate,
Mahatma Gandhi Marg, New Delhi-2.
6. Ms. Renana Jhabwala,
President, SEWA BHARAT,
7/5, First Floor, South Patel Nagar, New Delhi – 08.
Tel. No. 011 – 2584 1369. E-mail @sewa_bharat.org.
7. Dr. G. Raveendran,
Additional Director General, Central Statistical Organisation
Sardar Patel Bhavan, Parliament Street, New Delhi-110001
8. Shri S.V. Ramana Murthy
Deputy Secretary, NCEUS

Appendix-V

No. A-25022/11/2005-NCEUS
Government of India
NATIONAL COMMISSION FOR ENTERPRISES
IN THE UNORGANIZED SECTOR

19th Floor, Jawahar Vyapar Bhavan,
1, Tolstoy Marg, New Delhi-01.
Dated: 21st October, 2005.

Office Memorandum

Subject: Constitution of Task force on Definitional and Statistical Issues relating to the Unorganized Sector– Reg.

In partial modification to the OM of even number dated 15th May, 2005 on the above subject the following members are co-opted in the Task Force:

- | | | | |
|----|--|---|--------------|
| 1. | Shri Vishnu Kumar
ADG (In-charge-NAD),
Central Statistical Organization,
Sardar Patel Bhavan, New Delhi-01. | - | Member |
| 2. | Dr. G. Raveendran, Consultant, NCEUS. | - | Spl. Invitee |
| 3. | Prof. Jeemol Unni, Consultant, NCEUS. | - | Spl. Invitee |

(Suresh Kumar)
Under Secretary

To

1. Shri Vishnu Kumar, ADG (In-charge-NAD),
Central Statistical Organization,
Sardar Patel Bhavan, New Delhi-01.
2. Dr. G. Raveendran, Consultant, NCEUS.
3. Prof. Jeemol Unni, Consultant, NCEUS.

Copy for information to:

1. Dr. Arjun K. Sengupta, Hon'y Adviser, NCEUS.
2. Dr. K.P. Kannan, Member, NCEUS.
3. Dr. K. Jayashankar, Member, NCEUS.
4. Sh.. K.K. Jaswal, Member Secretary, NCEUS.
5. Dr. T.S. Papola, Part-time Member, Director-Labour Expert,
Institute for Studies in Industrial Development, Narendra Niketan, IP Estate, New Delhi-02. E-mail:
papola@vidur.delhi.nic.in
6. Dr. N.S. Sastry, Parisila Bhavan, NCAER, 11 I.P. Estate, New Delhi-02.
E-mail: nssastry.hub@nic.in
7. Dr. Sheila Bhalla, Institute for Human Development, NIDM Building, (3rd Floor), IP Estate, Mahatma
Gandhi Marg, New Delhi-02. e-mail: ihd@vsnl.com
8. Ms. Renana Jhabwala, President, SEWA BHARAT, 7/5, First Floor, South Patel Nagar, New Delhi – 08.
E-mail: renanaj@vsnl.com
9. Shri S.V. Ramana Murthy, Deputy Secretary, NCEUS.

Appendix-VI**Composition of the Subgroup**

No. A- 25020/11/2005-NCEUS
 Government of India
 NATIONAL COMMISSION FOR ENTERPRISES IN
 THE UNORGANISED SECTOR

19th Floor, Jawahar Vyapar Bhawan,
 1, Tolstoy Marg, New Delhi-01
 Dated: 3rd July, 2006.

Office Memorandum

A sub-committee of the Task Force on Definitional and Statistical Issues has been set up with the following composition to review the methods of estimation of contribution of the informal sector to GDP and evolve a proper method consistent with the National Accounts Statistics:

Dr. K.P. Kannan, Member, NCEUS	-	Chairman
Dr. N.S. Sastry, Consultant, NCAER	-	Member
Director General, CSO	-	Member
Director General, NSSO	-	Member
Dr. Raveendran, Consultant, NCEUS	-	Member
Sh. S. V. Ramana Murthy, DS, NCEUS	-	Member Secretary

-sd-

(Suresh Kumar)
 Under Secretary

Dr. K.P. Kannan, Member, NCEUS
 Dr. N.S. Sastry, Consultant, NCAER
 Director General, CSO
 Director General, NSSO
 Dr. Raveendran, Consultant, NCEUS
 Sh. S. V. Ramana Murthy, DS, NCEUS

Copy for information to:

1. PPS to Chairman, NCEUS
2. PPS to MS
3. PA to M (RSS)
4. Dir (MS)

Appendix-VII

Description of NIC of two digit code

NIC Code	Description
01	Agriculture, hunting and related service activities
02	Forestry, logging and related service activities
05	Fishing, aquaculture and service activities incidental to fishing
10	Mining of coal and lignite; extraction of peat
11	Extraction of crude petroleum and natural gas; service activities incidental to oil and gas extraction, excluding surveying
12	Mining of uranium and thorium ores
13	Mining of metal ores
14	Other mining and quarrying
15	Manufacture of food products and beverages
16	Manufacture of tobacco products
17	Manufacture of textiles
18	Manufacture of wearing apparel; dressing and dyeing of fur
19	Tanning and dressing of leather; manufacture of luggage, handbags, addler, harness and footwear
20	Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials
21	Manufacture of paper and paper products
22	Publishing, printing and reproduction of recorded media
23	Manufacture of coke, refined petroleum products and nuclear fuel
24	Manufacture of chemicals and chemical products
25	Manufacture of rubber and plastics products
26	Manufacture of other non-metallic mineral products
27	Manufacture of basic metals
28	Manufacture of fabricated metal products, except machinery and equipment
29	Manufacture of machinery and equipment n.e.c.
30	Manufacture of office, accounting and computing machinery
31	Manufacture of electrical machinery and apparatus n.e.c.
32	Manufacture of radio, television and communication equipment and apparatus
33	Manufacture of medical, precision and optical instruments, watches and clocks
34	Manufacture of motor vehicles, trailers and semi-trailers
35	Manufacture of other transport equipment

36	Manufacture of furniture; manufacturing n.e.c.
37	Recycling
40	Electricity, gas, steam and hot water supply
41	Collection, purification and distribution of water
45	Construction
50	Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel
51	Wholesale trade and commission trade, except of motor vehicles and motorcycles
52	Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods
55	Hotels and restaurants
60	Land transport; transport via pipelines
61	Water transport
62	Air transport
63	Supporting and auxiliary transport activities; activities of travel agencies
64	Post and telecommunications
65	Financial intermediation, except insurance and pension funding
66	Insurance and pension funding, except compulsory social security
67	Activities auxiliary to financial intermediation
70	Real estate activities
71	Renting of machinery and equipment without operator and of personal and household goods
72	Computer and related activities
73	Research and development
74	Other business activities
75	Public administration and defence; compulsory social security
80	Education
85	Health and social work
90	Sewage and refuse disposal, sanitation and similar activities
91	Activities of membership organizations n.e.c.
92	Recreational, cultural and sporting activities
93	Other service activities
95	Activities of private households as employers of domestic staff
96	Undifferentiated goods-producing activities of private households for own use
97	Undifferentiated service-producing activities of private households for own use
99	Extraterritorial organizations and bodies

Note: n.e.c – not elsewhere classified

Appendix-VIII**Guidelines for Classification of Unspecified Enterprise****Industry and Service Sector**

As per the definition, the classification of workers into informal and formal sector workers has to be based on the variables 'enterprise type' and 'number of workers' in the establishments in which they are employed. In the case of non-agricultural workers, data on these variables were collected both in 55th and 61st Round Surveys. However, there were a number of cases in which data on the above variables were either missing or not-known. The different combinations of information available on the above variables are indicated schematically in Figure-1.

Figure 1: Schematic representations of data on enterprise type and number of workers.

Enterprise Type	Code	Number of workers (codes)					
		(Missing) 0	1	2	3	4	(Not known) 9
Missing	0						
Proprietary Male	1						
Proprietary Female	2						
Partnership with same hhd.	3						
Partnership with different hhd.	4						
Government/Public Sector¹	5						
Public /Private Ltd. Company²	6						
Co-operative, trusts etc.³	7						
Employer's households⁴	8						
Others⁵	9						

- NOTES:
1. Described as public sector in 55th round.
 2. Described as semi-public in 55th round.
 3. Described as 'Others' in 55th Round and it included co-operative society, public limited company, private limited company and other units covered under Annual Survey of Industries (ASI).
 4. The enterprise type employer's household was not used in 55th Round.
 5. The enterprise type code '9' was assigned to 'not-known' cases in 55th Round instead of 'others'.
 6. Cells shaded Yellow represent Organised sector, those shaded Blue represent Unorganised sector and the cell shaded Red is divided between Organised and Unorganised on the basis of availability of Social Security.

Since there were cases in which information on either the 'enterprise type' or 'number of workers' or both were missing or unknown, a perfect classification was not possible in all the cases. Wherever, data on both the variables were available, the classification became easy and perfect. In other cases, some assumptions and rules had to be followed for classification. In order to develop such a scheme, the characteristics of workers in different cells in terms of activity status, nature of industry, occupational classification and household monthly per capita income were analyzed and the following rules were evolved.

- (i) The enterprises with type codes 5, 6, and 7 were classified as 'formal' irrespective of number of workers, as per definition.
- (ii) The enterprises with type codes 1, 2, 3 and 4 (proprietary and partnership establishments) with worker codes 3 & 4 (number of workers ten and above) were also included in the formal sector and those with worker codes 1 & 2 were included in the informal sector.
- (iii) The enterprises with type codes 1,2,3 and 4 and worker code 0 (missing) and 9 (not known)

were classified into informal sector as information in respect of at least one variable (enterprises type) was available and the characteristics of the workers in these categories were similar to those of informal sector workers.

- (iv) The enterprises, for which data on number of workers were available but not the enterprises type, were classified as 'informal' or 'formal' depending on worker codes 1 and 2 or 3 and 4. Thus, if the number of workers were less than ten, the enterprises were classified as 'informal' and if other wise the enterprises were classified as 'formal'.
- (v) In the case of about 6.54 per cent of the workers in 55th Round and 1.75 per cent of the workers in 61st Round, data on both the variables 'enterprises type' and number of workers were missing. It was earlier thought that the workers in this category would be those employed by private households and for whom there was no enterprise for reporting. However, on detailed analysis, it was noticed that this category also included a good percentage of regular salaried workers with social security benefits. They were thus classified into informal sector, if no social security benefit was available and into formal sector, if social security benefit was available. If the information on social security benefit was not available such workers were also classified into 'informal sector'.
- (vi) There were 77164 workers (0.05 per cent) in 55th round and 11806 (0.01 per cent) workers in 61st round for whom enterprises type was unknown/others and information on number of workers was missing. These categories of workers were classified into informal sector.
- (vii) There were about 48510 workers (0.03 per cent) in 55th Round and 534 workers in 61st Round with enterprises type missing and number of workers unknown. These workers were classified into formal sector as they were wage workers.
- (viii) The group of workers with enterprises type not known / others and number of workers unknown consisted of 3,021,034 (1.90 per cent) in 55th

Round and 2094451 (1.05 per cent) in 61st Round. These workers were classified into formal sector as they had the characteristics of such workers.

- (ix) All the workers employed in employer's households (applicable only in 61st Round) except those who reported the number of workers ten and above were classified into informal sector.

Agricultural Sector

In the case of agriculture, data on enterprise type and number of workers were collected in the 61st Round in respect of the workers employed in farming of animals; agricultural and animal husbandry service activities; hunting, trapping and game activities; and fishing and related service activities. It thus became possible to use the definitional criteria for the classification of workers in the above industries as in the case of non-agriculture workers. The agricultural sector was thus divided into crop cultivation including plantation and others covering animal husbandry, forestry and fishing. The classification of workers into informal sector and formal sector in each of the above segments is then done by using the following rules.

1. In the case of crop cultivation, workers in the plantation sector are considered as formal sector workers and others as informal sector workers.
2. In the case of the other agriculture segment, workers are classified by using the same rules as in the case of non-agricultural workers. However, this method could not be used for classifying the workers in this segment during 55th Round Survey. The forestry workers (NCO code-66), consisting of foresters, forest guards, harvesters & gatherers, log fellers, loggers and other forestry workers, who constituted about three percent of the total workers in the segment was, therefore, taken as formal workers in 55th Round. In the 61st Round also the percentage of formal sector workers in the same segment of the agriculture was about 3 percent.

By using the above classification rules, the informal and formal sector workers in agriculture during 1999-2000 and 2004-05 were estimated. These estimates as compared to the earlier estimates are given in Table 2.

Table 2: Estimates of Informal and Formal Sector Workers in Agriculture (Million)

Year	New Estimates	
	Informal Sector	Formal Sector
1999-2000	232.21	5.47
2004-05	252.84	6.09
Growth Rate	1.72	2.17

Classification by Job Characteristics

The classification of workers into Informal and formal workers is based on their employment relationship or characteristics like job security, work security and social security. In the Indian context, the variables which can be used for classification are activity status, sector of work and availability of social security provided by the employer. The specific criteria for classification are the following:

1. By definition casual workers do not enjoy any job or social security provided by the employers. Hence all such workers are classified as informal workers irrespective of the sector in which they are working.
2. The unpaid family workers do not enjoy even the status of a paid employee and are generally not protected in terms of job, work or social security. These workers are also, therefore, considered as informal workers.
3. The workers self-employed either as own account worker or as employer in the informal sector are regarded as informal workers and those in the formal sector are regarded as formal workers by definition
4. The regular salaried/wage workers are classified as formal or informal workers based on the availability of social security benefits provided by the employer. Thus, those workers reported to have social security benefits like pension, gratuity, provident fund, etc. are classified as formal workers and those not having social security are regarded as informal workers. In the case of missing information, those in the informal sector are classified as informal and those in the organised sector as formal.

Appendix-IX**UNORGANISED MANUFACTURING AND SERVICES SECTOR IN THE NEW SERIES OF NATIONAL ACCOUNTS STATISTICS (BASE YEAR, 1999-2000)****1. INTRODUCTION**

- a. The Central Statistical Organisation (CSO) of the Ministry of Statistics and programme Implementation (MSP), which is responsible for the compilation and release of official estimates of national income and related aggregates, recently released the new series of national accounts statistics with base year 1999-2000. The base year 1999-2000 was chosen to coincide with the year of previous Quinquennial Employment and Unemployment Survey, which was conducted by the National Sample Survey Organisation (NSSO) in the year 1999-2000. The results of this Survey formed the basis for the workforce estimates used in the new series of national income estimates, especially for the unorganised sectors.
- b. The paper presents in Section 2, the procedures of estimating the workforce and value added per worker (VAPW), which are the two components in the estimation of GVA of unorganised segments of the economy in the base year. The methodology of estimating the GVA in the base year, as well as for the subsequent years, in respect of various economic activities in the unorganised manufacturing and services sectors in the new series has been briefly outlined in Sections 3 and 4. The important data sets that are needed to be introduced into the statistical system of the country for improving the quality of service sector statistics are discussed in Section 5.

2. ESTIMATION OF WORKFORCE AND VALUE ADDED PER WORKER (VAPW) IN THE BASE YEAR 1999-2000

- 2.1 In the absence of annual enterprise surveys, the GDP estimates in respect of (i) unorganized segments of manufacturing and services sectors, and (ii) for some segments of private organized

services sectors, are compiled through indirect methods, using the benchmark-indicator procedure. In this procedure, the benchmark GDP estimates are initially prepared at detailed activity level for the base year of national accounts series using the estimated workforce engaged and the value added per worker (VAPW) in the activity. For subsequent years, the GDP estimates are extrapolated with appropriate indicators relevant to the economic activity.

- 2.2 While introducing the 1993-94 series, various sources were examined in depth for identifying the appropriate data source for use in national accounts compilation. After a detailed analysis of all these sources and with the approval of the Advisory Committee on National Accounts Statistics, it was decided to adopt, at I-digit level of the National Industrial Classification (NIC), the WPRs (separately for rural/urban and male/female) available from the Quinquennial Survey on Employment and Un-employment, 1993-94 (50th round) of the NSSO and the estimated population for the period made available by the Office of the Registrar General of India (RGI). The estimates of workforce thus obtained at the I-digit level with rural/urban and male/female break up were further distributed to 2 and 3-digit levels of NIC in proportion to the working force as on 31st March 1991 available from the 1991 Population Census.

- 2.3 For arriving at appropriate workforce estimates for use in the new series, the Advisory Committee on National Accounts Statistics (presently Chaired by Prof. S.D. Tendulkar) appointed a Working Group (WG) on Workforce estimation under the chairpersonship of Smt. Grace Mazumdar, in December, 2002. The Committee submitted its Report in March,

2004 and the same was published by the CSO, entitled “Report of the Working Group on Workforce Estimation for Compilation of National Accounts Statistics with Base Year 1999-2000”.

2.4 In its Report, the Working Group recommended the detailed sources and methodology to be adopted for the new series for arriving at the estimates of workforce in various compilation categories, using the data available from the NSS 55th Round and Population Census, 2001. The Working Group refers to the workforce (number of workers) in each of the economic activities as *labour input*, which is also the job count in these activities. The data on total number of jobs performed in each economic activity is not directly available. The available data on employment from the NSSO is through household enquiry method, which gives data on number of workers. The difference between the number of workers and the number of jobs is the multiple jobs performed by employed persons. The detailed procedure of obtaining the number of jobs performed in each economic activity from the available data sources is given in the Report of the Working Group. In this context, the following is quoted from the Report of the Working Group:

“The WG recommends that the CSO should continue to use the data available from the following sources for estimating *labour input* at the national level:

- Employment and Unemployment Survey(EUS) of the NSSO;
- Employment in the Organised Sector data of the DGET; and
- Annual Survey of Industries.
- Population Census(PC);

For manufacturing and services, the recommended method also specifies the levels at which compilation of national accounts should be attempted – the corresponding activity-groups recommended for this purpose are called compilation categories in this report. The method described below is meant for restricted application only to the segments of the economy comprising the manufacturing and service-producing

activities. The following is a step-wise description of the recommended method:

- (i) Obtain the mid-year population from the PC for the four segments of the population, viz. rural male, rural female, urban male and urban female.
- (ii) Obtain the activity-specific rates of *labour input* as the *labour input* per thousand population estimated from EUS for each identified compilation category. The survey-based estimate of *Labour input* would be arrived at as the sum of EUS estimates of (a) persons reporting *principal-capacity* employment, and (b) persons reporting *subsidiary-capacity* employment (usual status) in the respective manufacturing or service-producing activities, separately for the four population segments.
- (iii) Apply the rates of *labour input*, as obtained in Step (ii), on the male and female populations of rural and urban areas, as obtained in Step (i), to get the required estimates of *labour input* in each of the four segments of the population, separately for each of the compilation categories.
- (iv) Obtain the base year estimates of *labour input* for each of the compilation categories as the sum of the respective estimates of *labour input* in the four population segments.
- (v) Extrapolate the base-year estimate of *labour input* for each compilation category using the respective growth rate in *labour input* observed between the two most recent EUSs to arrive at estimated *labour input* for the subsequent years.
- (vi) Finally, for the base year as well as the subsequent years, obtain the estimates of unorganised segment *labour input* in the identified compilation categories using the Employment Market Intelligence (EMI) data of the DGET of the respective years.”

2.5 The Working Group also provided national-level estimates of total *labour input* for the recommended compilation categories obtained by applying steps (i) to (iv) mentioned above, in Appendix 4.3 of the Report. The data presented in the Report under this Appendix refers to the *labour input* for the mid-financial years of 1993-94 and 1999-2000, based respectively on the EUS of the 50th and 55th rounds of the NSSO and PC based

population projections, and also the annual compound growth rates derived from these estimates for the compilation categories. On the estimates of labour input and annual growth rates in the labour input, the Working Group observed that these are consistent in most cases with the general perception of developments during the 1990s. However, the Working Group also observed that for some of the activities like selling motor vehicles, wholesale trade except motor vehicles, textile industry and food processing, the growth rates are doubtful, perhaps due to misclassification of the workers and lack of exact concordance between NIC 1987 and NIC 1998. In view of these observations, the Working Group recommended external validation of the *labour input* estimates of all the compilation categories in general and the doubtful cases in particular, using data from other sources like PC 2001 and the contemporary enterprise surveys, whenever these become available.

2.6 In view of the observations of the Working Group, further validation of estimates of workers for some compilation categories was done for the new series using the limited single-digit (industry) level (NIC 1998) workforce data obtained from the RGI (detailed information on workforce was not released by the Office of the Registrar General of India at the time of the release of new series), and the same was compared with the NSS 55th round data obtained from the NSSO. While comparing the two sets of data, the number of workers in both sources was adjusted to bring them as on 1st October, 1999. Since the basic structure of the recommendations and data on workforce provided by the Working Group was to be adopted for the new series, the adoption of alternative sets of data compiled using the NSS and Population Census, 2001 based workforce data [for individual activities, the NSS data was multiplied by I-digit (NIC 1998) level ratio of workforce from Population Census to the workforce from NSS] was restricted to the doubtful cases mentioned in the Working Group Report, in addition to few others. These compilation categories are (i) sale of motor vehicles, (ii) wholesale trade except for motor vehicles and auctioning activities, (iii) storage and warehousing, (iv) sewage and refuse disposal, sanitation and similar activities, (v) activities of membership organizations, n.e.c. and social work with accommodation, (vi) recreational, cultural and sporting activities, and (vii) private households with employed persons. While the estimates of workforce in public sector and private organized sector are available annually from the DGET, those for the unorganized sector are derived as residual by deducting the organized sector

workforce estimates from the total workforce of that compilation category.

2.7 The estimates of VAPW for the unorganized and some private organized segments of manufacturing (non-SSI part) and services sectors have been compiled from the detailed data available from the NSS 55th round (1999-2000) on informal nonagricultural enterprises, NSS 56th round (2000-01) on manufacturing enterprises in the unorganised sector, and NSS 57th round (2001-02) on unorganised enterprises in service sector (excluding trade and finance). The estimates of VAPW at the compilation category level have been arrived at as a ratio of the gross value added to the total employees in the particular compilation category. The following adjustments have been made while processing the data for estimating the VAPW.

- (i) Rent on land and building has been treated as factor income, in the absence of data on rent on land ;
- (ii) Wherever the survey results are for years other than 1999-2000, suitable adjustments have been made on the VAPWs using CPI-AL and CPI-IW to arrive at the estimates for the benchmark year 1999-2000.
- (iii) Wherever the unit level data has shown either zero or very low value of output, but has entries against inputs and salary and wages, the same have been assumed to be outliers and have been removed from the estimation of VAPW. However, the number of such records removed from the data processing were very low.

3. ESTIMATION OF GDP OF UNORGANISED MANUFACTURING AND SERVICE SECTORS

3.1 The estimates of GDP by economic activity for the year 1999-2000, according to the new series and the 1993-94 series, have been presented in Table 1 below. According to this Table, the level of GDP has gone up by Rs. 30,454 crore or 1.7 per cent, in the new series in 1999-2000. Out of the industries, maximum upward revision in GDP data is witnessed in the 'real estate, ownership of dwellings and business services' sector, which is on account of increase in the number of dwellings than what was earlier projected for the year 1999-2000, as per the data available from the Population Census, 2001.

Table 1: Estimates of GDP at factor cost by kind of economic activity, 1999-2000

(Rs. Crore)

Industry	1993-94 series	New Series	Difference(3) - (2)	Weight
(1)	(2)	(3)	(4)	(5)
1. agriculture, forestry and fishing	4,61,964	4,54,061	-7,903	25.3
1.1 agriculture	4,22,392	4,15,334	-7,058	23.2
1.2 forestry and logging	19,555	19,482	-73	1.1
1.3 fishing	20,017	19,245	-772	1.1
2. mining and quarrying	41,298	41,594	296	2.3
3. manufacturing	2,66,704	2,64,113	-2,591	14.7
3.1 registered	1,70,822	1,73,003	2,181	9.7
3.2 unregistered	95,882	91,110	-4,772	5.1
4. electricity, gas and water supply	42,299	44,732	2,433	2.5
5. construction	1,05,297	1,05,149	-148	5.9
6. trade, hotels and restaurants	2,46,037	2,54,143	8,106	14.2
6.1 trade	2,29,004	2,31,878	2,874	12.9
6.2 hotel and restaurants	17,033	22,265	5,232	1.2
7. transport, storage and communication	1,24,307	1,31,754	7,447	7.4
7.1 railways	15,623	19,504	3,881	1.1
7.2 transport by other means	81,855	82,377	522	4.6
7.3 storage	1,262	1,427	165	0.1
7.4 communication	25,567	28,446	2,879	1.6
8. financing, insurance, real estate and business services	2,20,559	2,32,752	12,193	13.0
8.1 banking and insurance	1,19,075	1,05,662	-13,413	5.9
8.2 real estate, ownership of dwellings and business services	1,01,484	1,27,090	25,606	7.1
9. community, social and personal services	2,53,373	2,63,994	10,621	14.7
9.1 public administration and defence	1,16,686	1,19,671	2,985	6.7
9.2 other services	1,36,687	1,44,323	7,636	8.1
10. total GDP at factor cost	17,61,838	17,92,292	30,454	100.0

Unregistered manufacturing

3.2 The All-India estimates of GVA from unregistered manufacturing sector are obtained as a product of workforce and GVA per worker in terms of labour productivity and labour input based on (i) estimates from the latest surveys on unorganized manufacturing and (ii) census of small scale undertakings.

3.3 The GVA estimates for the new series for this sector for the base year 1999-2000 have been prepared separately for the two segments of the unregistered manufacturing sector, namely (i) the segment of Small Scale Industries (SSI) (other than those covered under the ASI), and (ii) the rest of the unorganized manufacturing sector, i.e. the manufacturing sector which is not covered under either the ASI or the SSI. The industry-group-wise estimates for these segments are presented in Table 2.

3.4 The GVA for the SSI segment for the new series has been estimated using the value of output data available from the results of Third All India Census on Small Scale Industries units, 2001-02 published by the Development Commissioner, Small Scale Industries and the GVA/GVO ratios available (Table 3) from the results of NSS 56th round survey on unorganized manufacturing (The estimates of GVA are not separately available in the results of SSI Census). Due adjustments have been made to bring the estimates of GVA of the SSI segment to the price levels of 1999-2000.

3.5 The estimates of other unregistered manufacturing units, i.e. the units not belonging to SSI group mentioned above, have been compiled using information on GVA per worker from the integrated surveys of enterprises and households in the 56th round (2000-01). The GVA per worker from 56th round of NSS

Table 2: Estimates of workforce in the unregistered manufacturing sector, 1999-2000

NIC-98 Code	Description	Total workers - manf. sector	Total workers - regd. manf. sector	Total workers - unregd. manf. sector - SSI part	Total workers - unregd. manf. sector non- SSI part (4)=(1)-(2)-(3)
		(1)	(2)	(3)	(4)
151	production, processing and preservation of meat fish, fruits, vegetable oils & fats	8,02,725	1,16,794	1,06,165	5,79,766
152	manufacturing of dairy products	2,72,514	54,333	19,973	1,98,208
153	manufacturing of grain mill products, etc and animal feeds	27,60,601	2,46,385	2,91,912	22,22,304
154	manufacturing of other food products	24,86,186	5,69,731	1,81,679	17,34,776
155	manufacturing of beverages	4,55,419	54,110	40,762	3,60,547
16	manufacturing of tobacco products	46,35,640	4,49,257	27,732	41,58,651
171+172 +173	spinning, weaving and finishing of textiles etc.	81,11,709	12,06,747	4,04,113	65,00,849
181-18105	wearing apparel, except fur apparel & tailoring	25,84,668	2,49,878	1,30,910	22,03,880
182+19	tanning and dressing of leather, fur and fur products.	11,90,030	1,00,568	1,02,949	9,86,513
20	manufacturing of wood and products of wood except furniture	53,34,786	40,259	1,79,366	51,15,161
361	manufacturing of furniture	8,54,054	17,838	2,59,766	5,76,450
21+22	manufacturing of paper and paper products, publishing, printing etc.	12,89,544	2,12,917	2,24,323	8,52,304
23+25	coke, refined petroleum products, nuclear, rubber & plastic products	12,18,254	2,56,843	1,98,835	7,62,576
24	mfg of chemical and chemical products	19,04,312	5,52,446	2,73,858	10,78,008
26	manufacturing of other non-metallic mineral products	40,08,775	3,59,945	4,69,885	31,78,945
271+272+ 2731+2732	manufacturing of basic iron and steel and non-ferrous metals	11,48,808	4,79,567	1,48,993	5,20,248
371+372	recycling of metal waste and scrap+ non-metal scrap	20,799	280	3,633	16,886
28+29+30	manufacturing of fabricated metal products, machinery & equipment n.e.c	37,39,000	5,16,858	7,84,793	24,37,349
31+32	elect. machinery and apparatus n. e. c.+ radio, tv & communication equipment	11,47,288	2,39,231	1,14,340	7,93,717
33+369	manufacturing of medical, precision and optical instruments, watches clocks etc.	27,05,017	1,31,694	98,542	24,74,781
34+35	motor vehicles, trailers and semi-trailers& other transport equip	6,18,226	3,40,241	75,207	2,02,778
Total		4,72,88,355	61,95,922	41,37,736	3,69,54,697

that relates to the year 2000-01 has suitably been deflated to 1999-2000. The estimates of work force for this portion of unregistered manufacturing i.e. for the units neither belonging to ASI nor to SSI, have been obtained from the total work force on manufacturing activities by subtracting the workforce relating to ASI and SSI (non-ASI) segments. With these changes, and the shifting of repair services to the trade sector as per NIC 1998, the estimates of GDP from this sector for the base year 1999-

2000 gets revised downwards by Rs. 4,772 crore and now stands at Rs. 91,110 crore as against Rs. 95,882 crore estimated in the old series.

Trade, hotels and restaurants

Trade

3.6 The Trade sector includes wholesale and retail trade in all commodities whether produced domestically, imported or exported. It also includes the activities of

Table 3: Estimated GVA of unregistered manufacturing sector, 1999-2000
(Output and GVA in Rs. crore, workforce in numbers and VAPW in Rs.)

Compilation category	Description	SSI			Non-SSI			TOTAL GVA
		Output	Ratio GVA/GVO	GVA	Work-force	VAPW	GVA	
151	Production, processing and preservation of meat fish, fruits, veg, oils, fats	6,192	0.1707	1,057	5,79,766	18,945	1,098	2,156
152	Mfg. of dairy products	900	0.2120	191	1,98,208	15,774	313	503
153	Mfg. of grain mill products, animal feed	14,105	0.2246	3,168	22,22,304	14,610	3,247	6,415
154	Mfg. of other food prods	3,655	0.2836	1,037	17,34,776	18,079	3,136	4,173
155	Mfg. of beverages	773	0.4653	360	3,60,547	13,584	490	849
16	Mfg. of tobacco prods.	775	0.6373	494	41,58,651	6,583	2,738	3,232
171* +172 +173	Spinning, weaving and finishing of textiles, etc.	8,985	0.4075	3,661	65,00,849	13,404	8,714	12,375
181-18105	Wearing apparel, except fur apparel & tailoring	3,299	0.6444	2,126	22,03,880	15,779	3,478	5,603
182+19	Tanning and dressing of leather, fur and products	3,159	0.3610	1,140	9,86,513	26,588	2,623	3,763
20	Mfg. of wood, products of wood except furniture	2,716	0.5110	1,388	51,15,161	11,397	5,830	7,217
361	Mfg of furniture	2,601	0.4505	1,172	5,76,450	25,944	1,496	2,667
21+22	Mfg. of paper, prods. publishing, printing etc.	4,065	0.3646	1,482	8,52,304	26,518	2,260	3,743
23+25	Coke, refined petroleum products, nuclear, rubber & plastic products	5,577	0.2729	1,522	7,62,576	28,585	2,180	3,702
24	Mfg of chemical and chemical products	10,043	0.2010	2,018	10,78,008	15,385	1,658	3,677
26	Mfg of other non-metallic mineral prods.	5,039	0.3991	2,011	31,78,945	15,290	4,861	6,872
271+272 +2731 +2732	Mfg of basic iron and steel and non-ferrous metals	8,913	0.2005	1,787	5,20,248	44,471	2,314	4,101
371+372	Recycling of metal waste and scrap+ non-metal scrap	272	0.3348	91	16,886	21,497	36	127
28+29+30	Mfg of fabricated metal products, machinery and equipment n.e.c.	16,723	0.3651	6,106	24,37,349	26,133	6,370	12,475
31+32	Elect. Machinery and apparatus n. e. c. + radio, TV & commn. equip.	4,061	0.0415	168	7,93,717	37,904	3,009	3,177
33+369	Mfg of medical, precision and optical instruments, watches, clocks etc.	2,080	0.4676	973	24,74,781	21,224	5,252	6,225
34+35	Motor vehicles, trailers & other transport equip	2,628	0.3607	948	2,02,778	42,307	858	1,806
Total GVA excl. FISIM		1,06,564		32,901	3,69,54,697		61,959	94,859

*includes 01405 cotton ginning and baling.

purchase and selling agents, brokers and auctioneers. In the old series, the GDP estimates were prepared for the trade sector as a whole covering categories (NIC 1987 codes of 6, excluding 69, 840, 841, and 890).

3.7 In the new series, there is change in the coverage of trade sector. This sector now comprises the following five categories, as per NIC 1998 classification:

- (i) 502+50404, "Maintenance and repair of motor vehicles" (new item)

- (ii) 50-502-50404, "Sale of motor vehicles"

- (iii) 51+74991, "Whole sale trade except of motor vehicles + Auctioning activities"

- (iv) 526, "Repair of personal and household goods" (new item)

- (v) 52-526, "Retail trade (except motor vehicles)."

3.8 The GVA estimates of Trade sector (Table 4) have been prepared separately for:

Table 4: Estimates of GDP of trade sector, 1999-2000

(Rs. crore)

Trade Sector	1993-94 series	New series	Difference
(1) Public	5,640	5,640	
(i) Wholesale and retail trade except motor vehicles + Auctioning activities (52-526+51+74991)	5,640	5,640	
(2) Private organized	37,703	29,305	-8,398
(i) Wholesale and retail trade except motor vehicles+ Auctioning activities(52-526+51+74991)		27,585	
(ii) Maintenance and repair of motor vehicles (502+50404)		1,393	
(iii) Repair of personal household goods (526)		327	
(3) Private unorganized	1,93,638	2,04,199	10,561
(i) Maintenance and repair of motor vehicles (502+50404)		5,237	
(ii) Sales of motor vehicles (50-502-50404)		4,497	
(iii) Repair of personal household goods (526)		9,752	
(iv) Retail trade except motor vehicles (52-526)		1,42,901	
(v) Wholesale trade (except motor vehicles)+ Auctioning activities (51+74991)		41,812	
Total- Unadjusted for FISIM	2,36,980	2,39,143	2,163
FISIM	7,976	7,265	-711
Total- net of FISIM	2,29,004	2,31,878	2,874

- (i) Public sector having units engaged in retail and whole sale trade (except of motor vehicles) + Auctioning activities;
- (ii) (ii) Private Organised sector consisting of (a) Private Corporate units engaged in retail and wholesale trade (except of motor vehicles) + Auctioning activities, (b) Trading Co-operative units engaged in retail and wholesale trade (except of motor vehicles) + Auctioning activities, (c) Maintenance and repair of motor vehicles and (d) Repair of personal household goods;
- (iii) Private Unorganised sector having units engaged in all the five categories

3.9 The contribution of the unorganized segment has been estimated as a product of workforce and value added per worker. The workforce estimates have been prepared using the results of NSS 55th round survey on Employment-Unemployment (WPRs), 1999-2000 along with the data on population from the Population Census 2001. The estimates of workforce of private unorganized part for all five categories (rural and urban) has been obtained for the benchmark year 1999-2000, by subtracting the estimated workforce in public sector and the private organized segment, available from DGET (assuming that DGET workforce includes the workforce of co-operative as well) from the total workforce of the sector. The GVA per worker used for the new series is that of 'all enterprises' category available in informal sector survey conducted in NSS 55th round (1999-2000). There has been no separate survey on Trade sector during the last about 10 years.

3.10 It may be noted that in the new series for trading activity, the activities relating to NIC, 1998 codes, 502 and 526 have also been included for the first time under trade sector. Previously, they were part of manufacturing sector.

Hotels and restaurants

3.11 This sector comprises activities covered in the categories 551 and 552 as per NIC, 1998.

3.12 The methodology followed for estimating GDP of public, private organized and private unorganized in the new series includes estimation of GVA per worker from Enterprise survey conducted during 57th round (2001-02) of NSS and workforce estimates from Employment - Unemployment Survey, 1999-2000 along with Population Census 2001 are presented in Table 5.

Table 5: Estimates of GDP of Hotels and restaurants sector, 1999-2000

(Rs. Crore)

Hotels and restaurants	1993-94 series	New series	difference
(1) Public	294	294	-
(2) organized	6,752	6,010	Private -742
(3) Private unorganized	10,006	16,709	6,703
Total- unadjusted for FISIM	17,052	23,013	5,961
FISIM	19	748	729
Total- Net of FISIM	17,033	22,265	5,232

Transport by means other than railways and storage

3.13 The GDP of Transport by other means and storage for the year 1999-2000 at current prices has been revised from Rs. 83,117 crore in the old series to Rs 83,804 crore in the new series. This upward revision in the GDP in the new series has been due to use of results of latest surveys. In the 1993-94 series, the GVA per worker was taken from Enterprise Survey of 1993-94, whereas for the new series, the GVA per worker has been taken from the Enterprise Survey of NSS-57th round (2001-02).

3.14 In the 1993-94 series, GVA estimation for services incidental to transport (sub sector of transport by other means) was on the basis of annual data on commissions paid to the booking agencies by shipping companies and air companies. Whereas in the 1999-2000 series, GVA estimate has been prepared by multiplying the workforce (duly adjusted for public sector) with GVA per worker available from the Enterprise Survey 2001-02 results for the respective NIC codes. The economic

activities of Airport Authority were included under Air transport sub-sector in the 1993-94 series. This has now been shifted to the sub-sector 'service incidental to transport'. Similarly, supporting service to water transport which was part of water transport, has been shifted to 'service incidental to transport' in the new series. The estimates of GDP for 'transport by other means and storage' sector for the year 1999-2000 in the old and new series are given Table 6.

Table 6: Estimates of GDP for Transport by other means and storage, 1999-2000

(Rs. Crore)

	1993-94		difference
	series	New series	
A. Transport by other means			
(1) Public			
(i) Mechanised road transport	6,811	7,206	395
(ii) Water transport	3,345	954	-2,391
(iii) Air transport	3,940	2,965	-975
(2) Private organized			
(i) water transport	1,375	1,375	-
(ii) Air Transport	485	485	-
(3) Private unorganized			
(i) Mechanized road transport	48,854	51,126	2,272
(ii) non-mechanised road transport	5,654	9,807	4,153
(iii) Water transport	6,600	1,399	-5,201
(4) Service incidental to transport	5,848	8,038	2,190
Total - Unadjusted for FISIM	82,911	83,356	445
FISIM	1,056	979	-77
A. Total - net of FISIM	81,855	82,377	522
B. Storage			0
1. Warehousing corporations (public)	481	481	0
2. Cold storage	180	250	70
3. Storage (unorganized)	617	711	94
Total - Unadjusted for FISIM	1,278	1,443	165
FISIM	16	16	0
B. Total - net of FISIM	1,262	1,427	165

Communication

Private Communication Services

3.15 The economic activities covered under this sector are (i) Courier activities (NIC-98, code-64120), (ii) Activities of the cable operators (NIC-98, code-64204) and (iii) Other communication (NIC-1998, code- 642 (-) 64204). In the 1993-94 series, initially the estimates of GVA of private communication services as a whole for the base year 1993-94 were prepared using NSS based estimates of workforce and value added per worker from the Enterprise Survey, 1991-92. The private sector work force of communication services taken from DGET publication "Employment Review" from the total work force of communication services. The methodology was reviewed and latest available data were used from the year 1997-98 onwards keeping in view the activities covered under "Pvt. Communication" and separate estimates for cellular mobile, courier services, and public call office booths (PCOs) were compiled.

Courier Services

3.16 The estimates of GVA for courier services for the year 1999-2000 have been compiled using the estimates of value added per worker (VAPW) from the results of NSS 57th round survey on services sectors, 2001-02 and workforce estimates mentioned in Section 2 above, separately for Rural/Urban/organized/un-organised segments. The organized sector estimate has been prepared using DGET workforce and corporate sector value added per worker from the results of NSS 57th round survey. The estimated GVA for the un-organised sector has been compiled by subtracting the estimated workforce in organized sector (DGET source) from the total workforce and the estimated VAPW for un-organised sector from the results of NSS 57th round. The estimates of GVA for the year 1999-2000 are Rs. 902 crore and Rs. 485 crore, in the old and new series respectively. The fall in GVA in the new series has primarily been due to difference in the extrapolated workforce estimate for the year 1999-2000 between the old series and that in the new series.

Activities of cable operators

3.17 The activities covered under this compilation category are the activities of cable operators, and the estimates of GVA for these services for the year 1999-2000 have been compiled using the estimated VAPW of rural! urban from the NSS 57th round survey results and

the estimated workforce in the economic activity. No separate estimates for this category were prepared in 1993-94 series. The estimated GVA for the year 1999-2000 is Rs. 394 crore in the new series, for this activity.

Communication services other than those of couriers and cable operators

3.18 The activities covered under this compilation category are all communication activities in the private sector other than those of couriers and cable operators. This subsector covers the activities of cellular and basic telecom services, and the activities of PCOs.

3.19 The estimates of GVA for other communication services for the year 1999-2000 have been compiled using the estimated VAPW from NSS 57th round survey results and the estimated workforce in the activity, separately for Rural/Urban/organized/unorganised segments. The private organized sector estimates have been prepared using the data on estimated workforce (from the DGET source) and the estimated VAPW from NSS 57th round survey results in respect of corporate sector. The estimates for the year 1999-2000 are Rs. 850 crore and Rs. 3,714 crore in the old and new series, respectively. The increase is due to broader coverage of the activity in the new series. In the old series the estimates were prepared only for PCOs and cellular mobile services. In the new series the economic activities of internet, cyber cafes, etc. have also been included. Moreover, the difference between the extrapolated workforce estimate used in old series for the year 1999-2000 and the latest data available from the NSS 55th round for the year 1999-2000 has also been quite high. The estimated GVA in respect of private communication subsector for the year 1999-2000 in the new series is given in the table Table 7.

Table 7: GVA of Private Communication, 1999-2000

(Rs. Crore)

Activities	1993-94		difference
	series	New series	
Courier	902	485	-417
Organised		34	
Unorganised		451	
Cable operators - unorganised		394	394
Other communication	850	3,714	
Organised	397	188	
Unorganised	453	3525	2,864
Total private communication	1,752	4,593	2,841

Real estate, ownership of dwellings, legal and business services

3.20 The economic activities covered in this sector are (i) ownership of dwellings (occupied residential houses), (ii) real estate services (activities of all types of dealers such as operators, developers and agents connected with real estate), (iii) renting of machinery and equipment without operator and of personal and household goods, (iv) computer and related activities, (v) accounting, book-keeping and related activities, (vi) research and development, market research and public opinion polling, business and management consultancy, architectural, engineering and other technical activities, advertising and business activities and (vii) legal services. The activity of ownership of dwellings includes the imputed value of owner occupied dwellings. Services rendered by non-residential buildings are considered to be a subsidiary activity of the industries, which occupy the buildings and, therefore, are not included in this sector.

3.21 In the new series, research and scientific services have been included under "real estate, ownership of dwelling and business services sector", whereas the same was part of "other services" sector in the old series.

3.22 The major data sources for estimating the GVA for this sector are, NSS 55th round survey on Employment and Unemployment, 1999-2000, and Population Census, 2001 for estimates of workforce and the results of NSS 57th round survey on services sector for estimates of VAPW, annual reports of software companies, The National Association of Software and Service Companies (NASSCOM) data on output of software services, Population Census, 2001 for information on residential houses in urban and rural areas, and the results of NSS 55th round on consumer expenditure for estimates on rent per household, and various price indices, namely, CPI (agricultural labourers), CPI (industrial workers) and CPI (urban non-manual employees).

Real Estate

3.23 This sub-sector includes buying, selling, renting and operating of self-owned or leased real estate such as apartment building and dwellings, non-residential buildings, developing and subdividing real estate into plots, etc. Also included are developments and sale of

land and cemetery lots, operating of apartment hotels and residential mobile home sites. Purchase, sale, letting and operating of real estate – residential and non-residential buildings, developing and subdividing real estate into lots, lessors of real property, Real estate activities with own or leased property, real estate activities on a fee or contract basis.

3.24 The estimates of GVA for these services in 1993-94 series were prepared using NSS 50th round results for work force and VAPW estimates from the Enterprise Survey, 1991-92 duly adjusted for 1993-94 prices, separately for rural and urban areas. The price indices, CPI (AL) and CPI (UNME) were used for rural and urban areas respectively for moving forward the 1991-92 VAPW estimates to 1993 -94 prices.

3.25 The estimates of Value Added for the base year (1999-2000) from these services in the new series have been prepared using the estimates of VAPW from NSS 57th round and the estimated workforce from NSS 55th round (as mentioned in Section 2), separately for rural/urban/organized/unorganized sectors. The estimates for the year 1999-2000 are Rs.708 crore and Rs.1,373 crore, respectively in the old and new series. Increase in the new series estimate for the year 1999-2000 has been due to the increase in workforce and the estimated VAPW.

Renting of machinery and equipment without operator

3.26 The activities covered under this compilation category are the activities of renting of machinery and equipment without operator and personal and household goods. The estimates of GVA for these activities have been compiled separately in the new series by using the estimated VAPW and workforce in the activity, from the results of NSS 57th round and NSS 55th round, respectively. The estimate for the year 1999-2000 is Rs 1,407 crore in the new series. This activity has been covered for the first time.

Computer and related activities in private sector

3.27 The activities covered under this compilation category are hardware consultancy, software consultancy and supply, data processing, database activities, maintenance and repair of office/ accounting/ computing

machinery and other computer related activities. In the old series, GVA estimates for software activities in the private sector were prepared using data on production of software services made available by NASSCOM and the value added ratio (GVA to output ratio) estimated from the analysis of annual reports of few software companies.

3.28 The estimates of GVA for the new series of NAS have been compiled for organised and unorganised segments, separately. The GVA estimates for organised sector have been prepared using NASSCOM's data on production of software services and the value added ratio estimated from the analysis of annual reports of few software companies. The estimates of GVA for the year 1999-2000 for the unorganised segment have been prepared using the data on workforce and VAPW from the results of NSS 55th round and NSS 57th rounds, respectively. The estimates were prepared separately for rural and urban areas. The estimates of GVA for the year 1999-2000 are Rs 14,619 crore and Rs 17,187 crore in old and new series respectively. The increase is due to broader coverage in the new series.

Legal activities

3.29 The activities covered in this category are legal services such as those rendered by advocates, barristers, solicitors, pleaders, mukatiars, etc. The estimates of GVA for these services in 1993 -94 series were prepared using data obtained from the Bar Council of India on workforce and VAPW estimated from the results of Enterprise Survey, 1991-92 duly adjusted for 1993 -94 prices, separately for rural and urban areas. The estimates of GVA for legal services in the new series for the year 1999-2000 have been prepared using the data on workforce and VAPW from the results of NSS 55th round and NSS 57th rounds, respectively, also separately for rural/urban/organized/ un-organised sectors. The estimates of GVA for the year 1999-2000 are Rs 3,572 crore and Rs 3,062 crore in the old and new series respectively. The change is due to difference in workforce of Bar-council used in the old series and the estimates of workforce adopted in the new series for the NSS 55th round.

Accounting, book-keeping and related activities in private sector

3.30 The activities covered under this compilation category are accounting, book-keeping and auditing

activities and tax consultancy services. In the 1993-94 series, GVA estimates for activities of accounting and book-keeping etc. in the private sector for the base year were prepared using VAPW estimates of public administration and defence and labour input estimates based on NSS Employment and Unemployment Survey, 1993-94 (50th round). The estimates of GVA for accounting and book-keeping services etc. in the private sector in the new series for the year 1999-2000 have been prepared following the labour input method by using the data on workforce and VAPW from the results of NSS 55th round and NSS 57th rounds, respectively, separately for rural and urban areas. The estimates for the year 1999-2000 in the new series are Rs. 2,019 crore and Rs. 1,725 crore in the old and new series, respectively. The marginal fall in the level of GVA estimates in this activity has been due to the adoption of the estimates of VAPW from the NSS 57th round, as compared to the previous series, where the VAPW of public administration was adopted.

Research and development, market research and public opinion polling, business and management consultancy, architectural, engineering and other technical activities, advertising and business activities n.e.c. excluding auctioning

3.31 This compilation category has been introduced after re-grouping the activities under business services and other services. In the 1993-94 series, the estimates of Research and scientific services (NIC-87 code 922) were included under 'other services'. In NIC-98, this activity is classified under code 73, which is under 'business services', and as such in the new series this activity has been included under 'business services'. Similarly, the GVA estimates of 'press agency activities' falling under NIC-87 code 897 were being compiled, though not exclusively, under the category of 'business services' in the 1993-94 series. Now, this activity falls under 'news agency activities', which is classified under NIC-98 code 922, and the GVA estimates for this activity have been included under 'other services' in the new series. Thus, the comparison of GVA estimates of 'business services' in the 1993-94 series, and the new series, has to be done keeping these aspects in view.

3.32 Table 8 giving all the activities to be covered in this category vis-a-vis the activities of NIC-87, for which GVA estimates under business services were prepared in 1993-94 series, is presented below.

Table 8: Estimates of GDP of trade sector, 1999-2000

(Rs. crore)

NIC-98 code	Activity description	NIC-87 code	Activity description
73	Research and development	922	Research and scientific services
7413	Market research and public opinion polling	893	Business and management consultancy activities (including market research)
7414	Business and management consultancy activities		
742	Architectural, engineering and other technical activities (including technical testing and analysis)	894	Architectural, engineering and other technical consultancy activities
		895	Technical testing and analysis services
743	Advertising	896	Advertising
749(-)	Business activities n.e.c.	898	Recruitment and provision of personnel
74991	(excluding auctioning)	899	Other business activities n.e.c.

3.33 In the 1993-94 series, GVA estimates for these activities were prepared separately for organised and unorganized segments using labour input method (estimated workforce in the activity x average VAPW in the activity) separately for rural and urban areas. The estimates of GVA for this compilation category have been prepared separately for organized and unorganised segments and for rural and urban areas for the base year in the new series by using the data on workforce and VAPW from the results of NSS 55th round and NSS 57th rounds, respectively. The estimates for the year 1999-2000 are Rs. 10,568 crore and Rs. 10,819 crore in the old and new series, respectively. The difference in the estimates has mainly been due to regrouping of activities and use of latest data is presented in Table 9.

Table 9: GVA of Private Communication, 1999-2000

(Rs. Crore)

Activities Series	1993-94	New series	difference
Realestate activities	708	1,373	665
Organised		96	
Unorganised		1277	
Renting of machinery, equipment without operator-unorgd.	-	1,407	1,407
Computer and related activities	14,619	17,187	2,568
Organised	14,619	14,619	--
Unorganised	--	2,568	2,568
Legal activities	3,572	3,062	-510
Organised		96	
Unorganised		2966	
Accounting, book keeping	2,019	1,725	-294
Organised		172	
Unorganised		1553	
Research and development	10,568	10,819	251
Organised	8587	4720	
Unorganised	1981	6099	
Ownership of dwellings	77,564	92,185	14,621
GDP (*)	1,09,050	1,27,758	18,708
FISIM	710	668	-42
GDP adjusted for FISIM (*)	1,08,240	1,27,090	18,850

(*) estimates are not strictly comparable due to re-classification.

Other Services

3.34 The economic activities covered under this sector are (i) coaching and tuition (NIC-98 codes 80903 and 80904), (ii) education excluding coaching and tuition (NIC-98 code 80 (-) 80903 (-) 80904), (iii) human health activities including veterinary activities, (iv) sewage and refuse disposal, sanitation activities (nic-98 code 90), (v) activities of membership organisations (+) social work (NIC-98, code 91+ 853), (vi) recreational cultural and sporting activities (NIC-98, code 92), (vii) washing and cleaning of textiles and fur products (NIC-98, code-9301), (viii) hair dressing and other beauty treatment (NIC-98, code 9302) (ix) funeral and related activities (NIC-98 code 9303+9309), (x) private households with employed person (NIC-98 code 95), (xi) custom tailoring (NIC98, code 18105), and (xii) extra territorial organisations and bodies (NIC-98 code 99).

3.35 The method generally followed for estimation of value added for different categories of services in the non-public segment is the labour input method (estimated workforce multiplied by the average value added per person in the activity). For the public sector part, estimates are compiled by analyzing the budget documents of central and state governments and annual reports of public undertakings. For the private organized part, estimates of workforce are from the DGET source and the VAPW from the NSS 57th round in respect of the enterprises recorded as companies. For the private unorganized part, estimates of workforce are from the NSS 55th round (total workforce in each economic activity), reduced by the workforce in the public and private organised sectors (available from the DGET), and the VAPW from the NSS 57th round in respect of enterprises recorded as non-corporate. Following are the major data sources used for the compilation of estimates of GVA in the new series:

- NSS 55th round (1999-2000) EUS
- Population Census, 2001
- DGET-Employment Review, annual data
- NSS 57th round (2001-02) on services
- Budget documents and annual reports for data relating to activities of these services under public sector
- Consumer price indices of agricultural labourers and industrial workers

Educational Services

3.36 In the 1993-94 series, GVA estimates in respect of education were prepared separately for recognized and non-recognised educational institutions. The GVA for the recognised institutions under public sector was taken to be equivalent to the expenditure on salaries and wages of teaching and non-teaching staff of educational services as available from the budget documents of centre and states and consumption of fixed capital (CFC). For the private recognised educational institutions, the estimates of GVA were obtained as a residual from the data on total salaries and wages paid to teaching and non-teaching staff of recognised institutions as available in the publication 'Education in India' for the year 1986-87, after subtracting the public part. For the private unorganised educational institutions, the method adopted for estimating the GVA in the old series was the labour input method. The estimates of work force in this activity was estimated as a residual from the total workforce by subtracting the workforce in the activity in the public and private organised sector (DGET source) and the estimates of VAPW were from the Enterprise Survey, 1991-92. The overall workforce was obtained from the NSS 50th round survey results. The procedure followed in the new series for the base year 1999-2000 is described below:

Coaching and tuition

3.37 The activities covered under this compilation category are the activities of coaching centres and individuals providing tuitions. The estimates of GVA for coaching and tuition activities have been prepared for the year 1999-2000 following the labour input method using the results of NSS 55th round on employment and unemployment and NSS 57th round on services sectors. The estimate for the year 1999-2000 for new series is Rs. 3,147 crore.

Educational excluding coaching tuition

3.38 The activities covered under this compilation category are the activities of private education institutions, excluding those of coaching centres and individuals providing tuitions. The GVA estimates for education in the new series have been prepared separately for recognized and non-recognised institutions. The GVA for the recognised institutions under public sector is taken to be equivalent to the expenditure on salaries and wages of teaching and non-teaching staff of educational services as available from the budget documents of centre and states and consumption of fixed capital (CFC). The estimates for recognized institutions under private sector have been prepared following the labour input method using the data on workforce available from the DGET and the estimated VAPW from the NSS 57th round (corporate sector part).

3.39 The GVA estimates for private un-recognized institutions the year 1999-2000 have been compiled following the labour input method separately for rural and urban areas, using the results of NSS 55th round (after excluding the workforce in the organised sector from the DGET source) and the results of NSS 57th round on VAPW (unorganised part). The estimates for the year 1999-2000 in the new series are Rs. 72,589 crore and Rs. 67,284 crore in the old and new series, respectively. The Value Added is less in the new series due to the change in methodology for estimating the GVA of private recognised institutes, as explained in paras 3.80 and 3.82. The change in procedure has been necessitated due to the non availability of data on salaries and wages in recognised educational institutions after 1986-87.

Human health activities and veterinary activities

3.40 The activities covered under this compilation category are the activities of human health and veterinary services. In the 1993-94 series, GVA estimates for health and veterinary services were prepared separately for public, private organised and private unorganised sectors. The GVA for the public sector was taken to be equivalent to the expenditure on salaries and wages of medical personnels obtained from the analysis of the budget documents and consumption of fixed capital. The GVA for private organised sector was prepared using work force estimates from DGET, and the VAPW estimate of public sector in health and veterinary services. For the unorganised segment, the labour input method was

followed. The work force estimates were obtained by subtracting the organised sector workforce available from the DGET from the total workforce estimated from the NSS 50th round EUS results and the VAPW estimates were from the Enterprise Survey, 1991-92.

3.41 In the new series estimates of GVA in human health and veterinary services have been prepared separately for public, private organised and private unorganised sectors using the labour input method. The GVA for the public sector has been taken to be equivalent to the expenditure on salaries and wages of medical personnel obtained from the analysis of the budget documents plus the consumption of fixed capital. The GVA for private organised sector has been estimated using workforce estimates from DGET, and VAPW of corporate sector estimated from the results of NSS 57th round survey on services sectors. For the unorganised segment, the labour input method was followed for estimating GVA for 1999-2000, with work force estimates in the unorganised sector compiled as a residual by subtracting the organised sector workforce (DGET source) from the total workforce as per NSS 55th round survey on employment and unemployment; and the VAPW for the unorganised segment estimated from the NSS 57th round survey results. The estimates of GVA for this activity for the year 1999-2000 are Rs. 22,303 crore and Rs. 27,985 crore, in the old and new series, respectively.

Sewage and refuse disposal, sanitation activities

3.42 The activities covered in this category are the sewage and refuse disposal, sanitation and similar activities. The estimates of GVA of these services in the 1993-94 series were prepared separately for public and private segments. The GVA for public sector was the sum of expenditure on salaries and wages of activities falling under NIC 910 covered under government and consumption of fixed capital. The private sector estimates were prepared separately for rural and urban areas using NSS work force and average compensation of municipal workers engaged in sanitary services. The average compensation of all the 5 types of municipalities i.e. (i) 5 lakhs and above, (ii) 1 lakh to 5 lakhs, (iii) 75000 to 1 lakh, (iv) 5000 to 75000 and (v) below 50000 was used for urban areas. The average compensation of the smallest municipality was used for rural areas. The smallest municipalities were taken as the proxy for rural sectors on the assumption that these municipalities were close

to the rural areas. The private sector work force was obtained after subtracting the public sector work force, from the total work force in the sanitary services sub-sector.

3.43 The GVA estimates for these activities for the new series have also been prepared separately for public and private sectors. Public sector estimates are the sum of expenditure on salaries and wages of activities covered under government and consumption of fixed capital. The public sector workforce (WF) as obtained from DGET has been subtracted from the total EUS workforce estimate from NSS 55th round to get the WF estimates for private segment. Thus obtained private sector WF estimates have been divided into rural and urban areas and have been multiplied with VAPW of sanitary workers (data obtained from municipal returns) to get the GVA estimates for the base year. The estimates for the year 1999-2000 are Rs. 4,374 crore and Rs. 4,288 crore in the old and new series, respectively.

Activities of membership organisations and social work

3.44 This sub-sector includes the activities of associations of writers, painters, lawyers, doctors, journalists and other similar organizations, activities of trade unions, interested chiefly in the representation of their views concerning their work situation, activities of other membership organizations, activities of religious organisations, activities of political organizations, activities of other membership organizations, social work with accommodation, and social work without accommodation. The estimates of these services in the 1993-94 series of NAS were prepared using NSS 50th round estimates of work force and VAPW estimate from the results of Enterprise Survey, 1991-92 duly adjusted for 1993-94 prices, separately for rural and urban following the labour input method.

3.45 The GVA estimates in the new series for the base year (1999-2000) from these services have been compiled using NSS 57th round (2001-02) survey results for estimating the VAPW and NSS 55th round EUS survey results for estimating the workforce. This has been done separately for rural, urban areas and also by organized and unorganized sectors. This activity corresponds to community services of 1993-94 series. The estimates for the year 1999-2000 are Rs. 6,901 crore and Rs. 10,923 crore in the old and new series, respectively. The increase in GVA in the new series has been due to broader coverage of the activity.

Recreational, cultural and sporting activities

3.46 The activities covered in this category are recreational, cultural and sporting activities. The estimates of these services in 1993-94 series of NAS were prepared separately for recreation and entertainment services and T.V. and Radio. The GVA estimates of recreation and entertainment services (other than Radio and T.V. broadcasting) were obtained on the basis of value of output of these services on year-to-year basis and the value added ratio as observed in the Enterprise Survey, 1991-92. In the old series, estimates of GVA for the public part of television and radio were obtained by analyzing the budget documents of Ministry of Information and Broadcasting. The estimates for private segment were compiled separately for rural and urban areas, following the labour input method, using the VAPW of public administration and defence.

3.47 In the new series, however, the estimates of GVA for this activity have been compiled for the base year 1999-2000, separately for public, private organized and private unorganized segments. While the estimates of GVA for the Public Sector are from the budget documents and annual reports of public undertakings, those of private organized and private unorganized have been compiled following the labour input method, with workforce data from the DGET and the NSS 55th rounds (total workforce), respectively, and the estimates of VAPW for these two segments from the NSS 57th round survey results. The estimates for the year 1999-2000 are Rs. 938 crore and Rs. 6,422 crore in the old and new series, respectively. The increase in new series is due to broader coverage, change in the procedures and use of latest survey results.

Washing and cleaning of textiles and fur products

3.48 The activities covered in this category are washing and dry cleaning of textile and fur products. The estimates of GVA of these services in the 1993-94 series were prepared using NSS 50th round estimates of work force and VAPW estimate from the Enterprise Survey, 1991-92 duly adjusted for 1993-94 prices, separately for rural and urban areas. The GVA estimates for the base year (1999-2000) in the new series in respect of these services have been prepared using NSS 57th round (2001-02) survey results for the estimates of VAPW and the NSS 55th round EUS results for workforce, separately for rural and urban areas. The estimates for the year

1999-2000 are Rs. 2,327 crore and Rs. 3,745 crore in the old and new series, respectively. The increase is due to use of latest survey results.

Hair dressing and other beauty treatment

3.49 The activities covered in this category are hairdressing and other beauty treatment. The estimates of GVA of these services in 1993-94 series of NAS were prepared using NSS 50th round estimates of work force and VAPW of the Enterprise Survey, 1991-92 duly adjusted for 1993-94 prices, separately for rural and urban areas. The VAPW was estimated for 1993-94 series based on the data of establishments (those employing at least one hired worker) only, and the data in respect of Own Account Enterprises (OAE) was not taken into account

3.50 The GVA estimates for the base year (1999-2000) in the new series from these services have been prepared using NSS 57th round (2001-02) survey results for VAPW and NSS 55th round EUS results for the workforce, and following the labour input method, separately for rural and urban areas. The estimates for the year 1999-2000 are Rs. 2,015 crore and Rs. 4,249 crore in the old and new series, respectively. The increase in the new series has been due to broader coverage and use of latest survey results.

Custom tailoring

3.51 The estimates of these services in 1993-94 series of NAS were prepared following the labour input method using NSS 50th round estimates of work force and VAPW of manufacturing of readymade garments (estimated from the NSS 51st round survey, 1994-95 results). In the new series, the GVA for these services in the base year has been estimated using NSS 56th round (unorganized manufacturing) data on VAPW and NSS 55th round data on work force, separately for rural and urban areas. The estimates of GVA for the year 1999-2000 are Rs. 8,638 crore and Rs. 4,874 crore in the old and new series, respectively. The fall is primarily due to difference between the extrapolated workforce estimate and VAPW used in old series and the estimates from the latest survey results.

Funeral and related activities

3.52 The activities covered in this category are funeral and related activities (NIC-98, code 9303) and other service activities, n. e. c. (NIC-98, code 9309). The estimates of GVA of these services in the 1993-94 series of NAS were prepared using NSS 50th round estimates

of work force and VAPW estimate from the results of Enterprise Survey, 1991-92 duly adjusted for 1993-94 prices, separately for rural and urban areas. The VAPW estimates were based only on the Establishments data and Own Account Enterprises (OAE) were not taken into account. The GVA estimates for the base year (1999-2000) in the new series in respect of these services have been prepared using NSS 57th round (2001-02) results for the VAPW estimates and NSS 55th round EUS results for workforce, following the labour input method, separately for rural and urban areas. The estimates for the year 1999-2000 are Rs. 4,192 crore and Rs. 9,399 crore in the old and new series, respectively. The increase in the new series has been due to regroup of the activities and use of latest survey results.

Private households with employed person

3.53 The activities covered in this category are private households with employed persons. The estimates of GVA of these services in the 1993-94 series were prepared using NSS 50th round estimates of work force and VAPW estimates in respect of NIC-96 1 to 969 from the results of Enterprise Survey, 1991-92 duly adjusted for 1993-94 prices, separately for rural and urban areas (as a proxy). The VAPW used for 1993-94 series was based on the Establishments only and data in respect of Own Account Enterprises (OAE) was not taken into account.

3.54 Data on private households with employed persons was not collected in the NSS 57th round survey on services sectors, as it was not found to be feasible to identify such households as enterprises. The value added generated by this activity relates to wages paid to 'employed persons' by the households. Therefore, the VAPW for this activity in the new series for 1999-2000 has been estimated on the basis of wage data collected in the NSS 55th round Employment Unemployment Survey. The total weekly earnings of the workers falling under this category have been divided by the number of workers to arrive at weekly wages/salaries. The GVA estimates in respect of these services have been compiled using average weekly wage per unit of labour input (adjusted for annual wages), separately for rural and urban areas in the base year.

3.55 The estimates for the year 1999-2000 are Rs. 4,070 crore and Rs. 3,004 crore in the old and new series, respectively. In the old series VAPW of personal services as a whole was taken as proxy which has been replaced by wage data of NSS-55th round estimate.

Moreover, the estimated workforce is also less as per NSS 55th round in 1999-2000, as compared to the projected workforce estimate in the old series for the same year.

3.56 Table 10 give the GVA from the services sector for the year 1999-2000 for organised and unorganised sectors.

4. ESTIMATES FOR SUBSEQUENT YEARS

4.1 In the case of unregistered manufacturing sector, the procedure followed is to first estimate the value added at constant prices, by extrapolating the base year estimates with the IIP, at compilation category level. The current price estimates of value added for unregistered manufacturing sector are obtained by superimposing the relevant WPIs on the constant price value added estimates, at compilation category level.

4.2 For the **electricity, gas and water supply** sector, the unorganised part of water supply at current prices is estimated using the extrapolated workforce estimates and wages of municipality workers (smallest ones), while the constant price estimates are compiled by deflating the current GVA estimates by relevant price indices.

4.3 For the unorganised part, estimates of base year are extrapolated with gross trading index (GTI), which is specially compiled using the trading incomes from the commodity producing sectors and imports. The GTI at current prices and the GTI at constant prices are used to extrapolated the base year estimates for arriving at current and constant price estimates of unorganised trade, hotels and restaurants sectors.

4.4 In respect of all other **services sectors**, the estimates for the public part are through direct methods, while the constant price estimates for subsequent years are through **extrapolation with single indicators** (such as net tonne kilometers and passenger kilometers in the case of railways, quantum of index of passenger kilometers in the case of road transport, index of cargo handled for water transport, airtransport volume index for air transport, volume index in the case of communication, etc.) or by single deflation (such as using CPI(IW) in the case of public administration, implicit GDP deflator in the case of commercial banks, etc.). For the private organised and unorganised segments, current and constant price estimates are prepared using different procedures depending on the data availability for arriving at the estimates for subsequent years, at current and constant prices.

Table 10: Value added from other services, 1999-2000

(Rs. Crore)

Activities	1993-94 Series	New series	difference
Education	72,589	70,431	-2,158
Organised	70,873	57,540	
Public	38,450	39,269	
Private	32,423	18,271	
Unorganised	1,715	12,891	
Human health and veterinary services	22,303	27,985	5,682
Organised	13,591	14,296	
Public	12,489	12,488	
Private	1,102	1,808	
Unorganised	8,712	13,689	
Sewage and refuse disposal, sanitation activities	4,374	4,288	-86
Organised	2,830	2,847	
Public	2,830	2,847	
Unorganised	1,544	1,441	
Activities of membership organisations, social work	6,901	10,923	4,022
Organised		8,664	
Unorganised		2,259	
Recreational cultural and sporting activities	938	6,422	5,484
Organised	33	2,462	
Public	-91	719	
Private	124	1,743	
Unorganised	905	3,960	
Washing, cleaning of textiles & fur products - unorgd.	2,327	3,745	1,418
Hair Dressing and other Beauty Treatment - unorgd.	2,015	4,249	2,234
Custom Tailoring - unorgd.	8,638	4,874	-3,764
Funeral and related activities - unorgd.	4,192	9,399	5,207
Private households with employed person	4,070	3,004	-1,066
Extra Territorial Organisations and Bodies	3,433	805	-2,628
GDP Total (*)	1,31,780	1,46,125	14,345
FISIM	1,949	1,802	-147
GDP adjusted for FISIM (*)	1,29,831	1,44,323	14,492

(*) estimates are not strictly comparable due to reclassification of activities between the two series.

4.5 Table 11 present the estimates of GVA by compilation categories for organised and unorganised sectors for the years 1999-2000 and 2004-05.

5. CONCLUDING REMARKS

5.1 It is evident from the above, that current data is used for estimating the GDP in respect of primary and secondary sectors, railways, banking and insurance, public administration and defence, public sector part of various services and some components of organised private sector. Although, current data from the benchmark surveys is used for estimating the unorganised part of manufacturing and services sectors in the case year, estimates for the subsequent years are based on proxy physical indicators (such as IIP for unorganised manufacturing, Gross Trading Index in the case of trade, hotels and restaurants) or using

inter-survey or inter-censal growth rates. The estimates GVA for various economic activities, separately for organised and unorganised segments, are presented in Annex-2 to give an idea of the extent of indirect estimation in GDP estimation. However, it may be mentioned at this stage that there is generally an upward revision in the GDP estimates, whenever the base years are changed, indicating that the growth rates not over estimated.

5.2 The present weaknesses in the GDP estimation, as is well known to the users, is on account of lack of current data on private corporate sector, as well as on the unorganised sector. In the case of former, there is no agency in the country which provides global estimates of private corporate sector, on either quarterly or annual basis. The only source at present is the RBI's company

Table 11 : Estimates of Gross Value Added (GVA)

Sl.No.	NIC-98	Description	GVA (Rs. In crore)									
			1999-2000					2004-05				
			TOTAL org & unorg	ORGD. public	private	total orgd	UNORGD.	TOTAL org & unorg	ORGD. public	private	total orgd	UNORGD.
1	01-05	cotton ginning										
	0-01-05	Other agricultural activities in Group A										
	0-AGRI, FOR	TOTAL GROUP A AGRI, FOR *	427576	14071	1292	15363	412213	507854	27230	2392	29622	478232
	0-FISHING	GROUP B FISHING *	18939	21	0	21	18918	28775	17	0	17	28758
	1-MINING	GROUP C - MINING *	41594	34191	3913	38104	3490	84464	67840	9955	77795	6669
2	151	Production, processing and preservation of meat, fish, fruit vegetables, oils and fats	4709			2639	2071	17692			10056	7636
3	152	Manufacture of dairy product	2150			1667	483	2219			1733	486
4	153	Manufacture of grain mill products, etc. and animal feeds	8826			2664	6161	12122			3744	8378
5	154	Manufacture of other food products	11740			7732	4008	11926			7942	3984
6	155	Manufacture of beverages	3587			2771	816	9296			7235	2061
7	16	Manufacture of tobacco products	6605			3501	3104	5750			3095	2655
8	171+172+173	Spinning, weaving and finishing of textile+ Other textiles+ Knitted and crocheted fabrics and articles	26185			14299	11886	37955			21034	16921
9	181-18105	Wearing apparel, except fur apparel and tailoring	8615			3233	5382	14755			5651	9104
10	18105	Tailoring	4814	0	0		4814	7927				7927
11	182+19	Dressing and dyeing of fur; manufacture of articles of fur and tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear	5013			1399	3614	5985			1710	4275
12	20	manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plating materials	7328			396	6932	5103			285	4819
13	361	Manufacture of furniture	3065			503	2562	2142			361	1781
14	21+22 *	Manufacture Of Paper And Paper Products and publishing, printing and reproduction of recorded media	8752			5157	3595	13587			8114	5473
15	23+25	Manufacture of coke, refined petroleum products and nuclear fuel and rubber and plastic products	15625			12069	3555	41026			31925	9101
16	24	Manufacture of chemical and chemical products	41571			38039	3532	74041			67937	6104

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Sl.No.	NIC-98	Description	GVA (Rs. In crore)									
			1999-2000					2004-05				
			TOTAL org & unorg	ORGD. public	private	total orgd	UNORGD.	TOTAL org & unorg	ORGD. public	private	total orgd	UNORGD.
17	26	manufacture of other non-metallic mineral products	15255			8655	6600	21688			12479	9209
18	271+2731	Manufacture of Basic Iron & Steel+ Casting of iron and steel	24580			20641	3939	52755			44531	8223
19	272+2732	Manufacture of basic precious and non-ferrous metals+ Casting of non-ferrous metals	0			0	0					
20	371+372 **	Recycling of metal waste and scrap+ non-metal waste and scrap	124			2	122	260		4	255	
21	28	Manufacture of fabricated metal products, except machinery and equipments	29192			17210	11982	47797			28071	19726
22	29+30	Manufacture of machinery and equipment n.e.c.+ office, accounting and computing machinery	0			0	0					
23	31+32	Electrical machinery and apparatus n.e.c.+ radio, television and communication equipment and apparatus	12440			9388	3051	26656			20278	6378
24	33+369	Manufacture of medical, precision and optical instruments, watches and clocks+ Manufacturing n.e.c	14089			8109	5979	25221			13755	11465
25	34+35	Manufacture of motor vehicles, trailers and semi-trailers+ manufacture of other transport equipment	14663			12929	1734	25626			22681	2945
	1,2,3-MANF	D: MANUFACTURING	264113	37476	135527	173003	91110	453603	64715	247907	312622	140981
	40-41 ELEC, GAS, W.S.	E: ELECTRICITY, GAS AND WATER SUPPLY*	44526	43868		43868	658	60607	59017	0	59017	1590
	45-CONSTRUCTION	F: CONSTRUCTION*	102007	16381	25652	42033	59974	185669	23469	46880	70349	115320
26	502+50404	Maintenance and repair of motor vehicles and motor cycles	6429			1351	5078	13491			3029	10462
27	50-502-50404	Sale of motor vehicles	4360			0	4360	7172			0	7172
28	51+74991	Whole sale trade except of motor vehicles + Auctioning activities	72757			32215	40542	143865			74629	69237
29	526	Repair of personal and household goods	9773			317	9456	16618			471	16147
30	52-526 ****	Retail trade (except motor vehicle)	138560			0	138560	243405			0	243405
	51-52 TRADE	G: WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES, MOTORCYCLES AND PERSONAL AND HOUSEHOLD GOODS	231878	5474	28408	33883	197995	424552	7281	70847	78128	346424
31	551	Hotels, camping sites etc.	22265	292	5807	6099	16166	39781	366	11725	12091	27690
32	552	Restaurants, bars and canteens										
55- HOTELS&REST		H: HOTELS AND RESTAURANTS	22265	292	5807	6099	16166	39781	366	11725	12091	27690

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Sl.No.	NIC-98	Description	GVA (Rs. In crore)									
			1999-2000					2004-05				
			TOTAL org & unorg	ORGD. public	private	total orgd	UNORGD.	TOTAL org & unorg	ORGD. public	private	total orgd	UNORGD.
33	601	Transport via railways*	21122	21122	0	21122	0	32102	32102	0	32102	0
34	6021	Scheduled passenger land transport	16302	6972	0	6972	9329	27830	9472	0	9472	18358
35	60221	Non-scheduled passenger land transport by motor vehicles	15874	0	0	0	15874	35017	0	0	0	35017
36	60231	Freight transport by motor vehicles	25599	276	0	276	25323	55812	665	0	665	55147
37	60222	Other non-scheduled passenger land transport	4197	0	0	0	4197	5925	0	0	0	5925
38	60232	Freight transport other than by motor vehicles	5494	0	0	0	5494	7756	0	0	0	7756
39	61	Water Transport	3512	960	1169	2129	1382	10377	1898	5949	7847	2530
40	62	Air transport	3396	2983	413	3396	0	5453	3454	1999	5453	0
		total-other transport	82377	14618	1582	16200	66177	0	20869	7949	28818	132285
41	6302	Storage and warehousing	1427	474	249	723	703	2160	823	347	1170	990
42	63-6302	Supporting & auxiliary transport activities	8004	3427	0	3427	4578	12931	5381	0	5381	7551
43	6411	National post activities	525	0	74	74	451	753	0	54	54	700
44	6412	Courier activities	394	0	0	0	394	512	0	0	0	512
45	64204	Cable operator	27527	23592	410	24002	3525	53585	33116	1045	34161	19424
46	642-64204+6411	other communication (incl.posts)	28446	23592	484	24076	4370	54850	33116	1099	34215	20635
		communication	133372	59806	2316	62122	71250	250214	86910	9395	96305	153910
	60-64 TRPT, STORAGE, COMMUN	I : TRANSPORT ,STORAG AND COMMUNICATIONS excl. Railways	105662	60698	34629	95327	10335	167831	97300	52188	149488	18343
	65-67 BANK&INS	J : FINANCIAL INTERMEDIATION *	1366	96	0	96	1270	2036	145	0	145	1891
47	70	Real Estate Activities	1399	0	0	0	1399	1812	0	0	0	1812
48	71	Renting of machinery & equipment without operator, personal / household goods	17097	14543	0	14543	2554	75211	59740	0	59740	15471
49	72	Computer and Related activities	3046	95	0	95	2951	4337	136	0	136	4201
50	7411	Legal activities	1716	171	0	171	1545	4155	413	0	413	3742
51	7412	Accounting, book-keeping	10763	4696	0	4696	6067	17309	9214	0	9214	8096
52	73+7413+7414+742+743+749-74991	Research and development+ market research and public opinion polling+ business and management consultancy activities+ architectural, engineering and other technical activities+ advertising+ business activities n.e.c (-) auctioning activities ownership of dwellings	92500	0	0	0	92500	140439	0	0	0	140439
	70-74 REAL EST, ETC.	K : REAL ESTATE, RENTING AND BUSINESS ACTIVITIES	127888	530	19071	19601	108287	245298	779	68869	69648	175651
	75-PUBLIC ADMIN	L : PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY *	122384	122384	0	122384	0	177496	177496	0	177496	0

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Sl.No.	NIC-98	Description	GVA (Rs. In crore)									
			1999-2000					2004-05				
			TOTAL org & unorg	ORGD. public	private	total orgd	UNORGD.	TOTAL org & unorg	ORGD. public	private	total orgd	UNORGD.
53	80903+80904	Coaching centres,(+) Activities of the individuals providing tuition	3109	0	0	0	3109	5435	0	0	0	5435
54	80-80903-80904	Education-(Coaching centres,(+) Activities of the individuals providing tuition	66454	39269	17561	56830	9624	101145	53212	31247	84459	16685
55	80 EDUCATION	M: EDUCATION	69562	39269	17561	56830	12732	106580	53212	31247	84459	22121
55	851+852	Human health activities+ Veterinary activities	27640	12488	1631	14120	13520	53137	16008	4148	20156	32981
55	85-HEALTH	N: HEALTH AND SOCIAL WORK	27640	12488	1631	14120	13520	53137	16008	4148	20156	32981
56	90	Sewage And Refuse Disposal, Sanitation And Similar Activities	4235	2847	0	2847	1388	5754	3922	0	3922	1832
57	91+853	Activities Of Membership Organisations n.e.c.+ Social work with accommodation	10789	0	8558	8558	2231	13879	0	10834	10834	3045
58	92	Recreational, cultural and sporting activities	6343	719	1713	2432	3911	8442	771	2263	3035	5407
59	9301	Washing and cleaning of textile and fur products	3699	0	0	0	3699	5991	0	0	0	5991
60	9302	Hair dressing and other beauty treatment	4196	0	0	0	4196	6730	0	0	0	6730
61	9303+9309	Funeral and related activities	9283	0	0	0	9283	15165	0	0	0	15165
61	90-93 OTHER SERVICES	O: OTHER COMMUNITY, SOCIAL AND PERSONAL SERVICE ACTIVITIES	43358	3567	10270	13837	29521	63888	4693	13098	17791	46097
62	95	Private Households With Employed Persons	2967		0	0	2967	4991	0	0	0	4991
63	95 PVT. HHS EMP PERSONS	P: PRIVATE HOUSEHOLDS WITH EMPLOYED PERSONS	2967		0	0	2967	4991	0	0	0	4991
63	99	Extra Territorial Organizations And Bodies	795		795	795		1194	0	1194	1194	0
63	99 EXTRA TERRI BODIES	Q: EXTRA TERRITORIAL ORGANIZATIONS AND BODIES	795	0	795	795	0	1194	0	1194	1194	0
		TOTAL OTHER SERVICES	144323	55324	30258	85582	58741	229789	73913	49687	123600	106189
		TOTAL GROSS DOMESTIC PRODUCT	1786527	450516	286872	737388	1049138	2855934	686333	569845	1256178	1599756

Source : Shri Ramesh Kolli, ADG (CSO)

finance studies. However, due to its sample size being small, it is difficult to get reliable estimates at economic activity level or at State level. In the case of unorganised sector, the surveys are conducted only once in about 5 years, by the NSSO. This, however excludes the trading activity, which is one of the major sectors of the economy. There is no other source giving data on the performance of unorganised sector.

5.3 Another weak area in the estimation of GDP is the absence of suitable price deflators for the service sectors. The recommended procedures for the constant price estimates is the double deflation procedure, which means the value of output and value of inputs are to be deflated separately by their appropriate price indices and the Gross Value Added is to be arrived at as the difference between output and inputs. It is well known that we do not have a service sector price index in the country, leave alone appropriate price indices separately for inputs and outputs or various components of GVA, such as salaries and wages and operating surplus.

5.4 The Ministry of Company Affairs has recently launched the MCA21 programme, which envisaged online filing of accounts by the companies. It is hoped that this Programme would provide current and exhaustive data on private corporate sector in the near future.

Regarding unorganised sector, a programme should be in place for collecting annual data on at least the larger establishments. The Annual survey of Non-Manufacturing Industries (ASNMI), was recommended by the National Statistical Commission (NSC) for implementation. This is similar to the Annual Survey of Enterprises (ASE) or Economy-wide Survey (EWS), which most countries have in place. It is necessary to introduce ASE something in the future. The strengthening of corporate sector statistics, introduction of ASE and the service sector price indices are the key to further improving the quality of GDP estimates in the country. These would also enable the country to have an Index of Service Production (ISP) on the pattern of Index of Industrial Production(IIP).

References:

1. CSO (1989): National Account Statistics: Sources and Methods.
2. Inter Secretariat Working Group on national Account (1993): System of National Accounts.
3. CSO (1998): National Industries classification.
4. CSO (2006): Brochure on New Series of National Account Statistics, base year 1999-2000.

Appendix-X**Modified Method of Apportioning****The Labour Input Method**

3.3.1 In the book titled ‘Measuring the Non-observed Economy – A Handbook’ by OECD (2002), the Labour Input Method has been suggested as a feasible method for estimating un-observed economy including the contribution of informal sector to GDP. In this method, the estimated labour input in each industry group is multiplied by the corresponding Gross Value Added (GVA) per unit of labour. Reliable database on sector-wise employment and GVA per worker are required for the use of this method.

3.3.2 If E_i is the labour input (defined in terms of number of workers or jobs) employed in the i th sector and $GVAP_i$ is the average value added per worker/job then GVA for the i th sector is given by

$$GVA_i = E_i * GVAP_i$$

Then the Total value added in sector would be

$$GVA_i = \sum_{i=1}^n GVA_i \quad \text{where } n \text{ is the number of sectors in the economy.}$$

3.3.3 The estimates of labour input can be worked out with reasonable level of accuracy by using the data sets of NSS Labour Force Surveys. The estimation of gross value added per worker is, however, a difficult task due to non-coverage of all the sectors of the economy in the enterprise surveys being conducted in India. For example, there has not been any enterprise survey for the estimation of gross value added per worker in the agricultural, mining and electricity, gas & water supply sectors during the last two decades. In the case of other sectors, the estimates are not available for all the industry groups for any single year, as enterprise surveys on different subjects are conducted on different years. There are also self-employed persons like maid servants, home tutors, head load workers, etc who may not be captured in any enterprise survey. The estimates of gross value added per worker obtained from these surveys are also considered to be under estimates due to various reasons including under reporting of receipts. It has, therefore, not been possible to use this method for the estimation of the contribution of un-organised sector to GDP with any reasonable level of accuracy.

Method of Apportioning

3.3.4 Mr. Ramesh Kolli and Mr. Suwendu Hazra of CSO estimated the share of informal sector in the Net Domestic Product (NDP) by apportioning the estimated unorganized sector NDP of different industry groups by using the results of different enterprise surveys. The relative shares of ‘informal sector enterprises’ in the GVA estimates derived from unorganized sector surveys have been used for apportioning. The methodology as described below is found to be useful in the absence of reliable estimates of value added per worker in respect of many sectors.

3.3.5 Let p_i be the proportion of gross value added by the establishments in the informal sector (based on the proposed definition of the Commission) in the i^{th} industry group, out of the total gross

value added by the enterprises in the un-organised sector as defined under NAS as revealed by the surveys.

$$\text{Thus } p_i = \text{GVA}_i^U / \text{GVA}_i^T$$

Where, GVA_i^U = GVA estimate of informal sector establishments in the i^{th} industry as obtained from un-organised sector surveys.

GVA_i^T = GVA estimate of all the un-organised sector establishments in the i^{th} industry as obtained from the same surveys.

This p_i can be applied to the GDP_i of the un-organised sector in the specific industry group as estimated by CSO to obtain the estimate of Gross Value Added for the informal sector. Thus the contribution of the informal sector in the i^{th} industry group to the GDP will be $p_i * \text{GDP}_i$.

- 3.3.6 This methodology also has serious limitations as in the case of labour-input method. An important limitation is that the method assumes that the work force estimates from the enterprise surveys correctly reflect the actual proportion of work force in the informal sector in the un-organised sector of each industry group. This assumption has been proved to be incorrect by the labour force surveys. Secondly, the coverage of un-organised sector surveys, particularly in the services sector, is generally different from the un-organised sector as defined in national accounts. The establishment of comparability with the national accounts classification is often a tedious job. However, the method of apportioning is a useful technique for estimating the contribution of informal sector to the GDP of each tabulation category in the absence of data sets for the application of direct methods.

Mathematical scaffolding of Modified Method of Apportioning by NCEUS

- 3.3.7 **Agriculture Sector:** The GDP estimate of unorganised sector as computed by CSO as a part of the National Accounts Statistics is considered as the contribution of Informal sector in the absence of any survey data on agricultural enterprises.

- 3.3.8 **Manufacturing sector.** If E is the total number of workers in the manufacturing sector then

$$E = E_{asi} + E_{non-asi} \dots (i)$$

Where the subscripts *asi* and *non-asi* indicate the number of workers in ASI and non asi sectors.

From (i) the non-asi sector is again broken to unorganised and other sectors. For any compilation category I , it is given as

$$E_i^{non-asi} = E_i^u + E_i^o$$

Where u and O represent unorganised and other component

- 3.3.9 The total workers in each compilation category, classified according to specific requirements of each segment were estimated from NSS 55th and 61st Round Employment-Unemployment

surveys, after making appropriate adjustments for census population estimates/projections. These estimates were based on usual principal and subsidiary status concept used in the surveys.

3.3.10 In the manufacturing sector, all the registered factories covered under the Factories Act, 1948 constituted the organised sector. The unorganised sector as per national accounts, therefore, included establishments in the corporate and Government sectors as well as those employing more than nine workers but not using power. Thus the informal sector as per the Commission definition was a sub-set of unorganised sector of national accounts. Therefore, apportioning was to be done only for the un-organised component of the GDP. The methodology for apportioning consisted of the following steps.

- i) By using the data sets of Employment-Unemployment surveys, work force in the manufacturing sector was divided between ASI and Non-ASI sectors. The enterprise characteristics like number of workers employed, use of electricity, were used for making such a division.
- ii) The work force engaged in the Non-ASI Sector was further divided into those belonging to informal sector and outside as per Commission definition. Again the enterprise characteristics like type of enterprise and employment size were used for the classification.

Let NE_i = non-ASI work force in the i th compilation category within the manufacturing sector.

NE_i^U = non-ASI, informal sector work force in the i th compilation category.

NE_i^O = non-ASI, other workers in the i th compilation category.

$NE_i = NE_i^U + NE_i^O$

- iii) The NSS 56th Round Survey on Un-organised Manufacturing Enterprises included all the establishments not covered under the Annual Survey of Industries. The establishments surveyed were classified into those belonging to the informal sector and others by using the criteria of enterprise type and number of workers. The average gross value added per worker has been then estimated for each group separately in each compilation category.

Let $GVAP_i^U$ = the gross value added per worker for informal sector units in the i th compilation category.

$GVAP_i^O$ = the gross value added per worker for other units in the i th compilation category.

- iv) The employment estimates of informal sector and others in each compilation category as obtained from NSS 55th and 61st Round surveys were then multiplied with the corresponding gross value added per worker estimates obtained from NSS 56th Round to get notional estimates of GVA in each group.

Thus $GVA_i^U = NE_i^U * GVAP_i^U$

$GVA_i^O = NE_i^O * GVAP_i^O$

- v) The ratio for apportioning the estimated unorganised sector GDP is then computed as follows:

$R_i = GVA_i^U / (GVA_i^U + GVA_i^O)$

Where R_i is the ratio to be used for apportioning unorganised sector GDP of each compilation category.

- vi) The ratios thus worked out were applied to GDP estimates of unorganised sector for each compilation category to estimate the contribution of informal sector.

3.3.11 In the case of construction, trade, banking, financial intermediation and insurance, the organised sector in the compilation of national accounts include all public and private corporate sector enterprises. Therefore, apportioning has to be done only for unorganised sector GDP in these groups of industries also as in the case of manufacturing sector. The methodology for apportioning thus involved the following steps.

- (i) The work force employed in the non-public and non-corporate sector in each of the compilation categories of the above industry groups was divided into those belonging to informal sector and others by using the data on enterprise type and number of workers.

Let NE_i = non-public and non-corporate sector workers in the i th compilation category

NE_i^U = non-public and non-corporate informal sector workers in the i th compilation category

NE_i^O = non-public and non-corporate other workers in the i th compilation category

$$NE_i = NE_i^U + NE_i^O$$

- (ii) The proprietary and partnership establishments in the above categories of industries were surveyed in the NSS 55th Round Informal Sector Survey. The data sets of this survey were used for estimating the average value added per worker separately for informal sector establishments and others in each compilation category.

Let $GVAP_i^U$ = the gross value added per worker for informal sector units in the i th compilation category

$GVAP_i^O$ = the gross value added per worker for other units in the i th compilation category

- (iii) The employment estimates of informal sector and others in each compilation category as obtained from NSS 55th and 61st Round surveys were then multiplied with the corresponding gross value added per worker estimates obtained from NSS 55th Round Informal Sector Survey to get notional estimates of GVA in each sector. Thus

$$GVA_i^U = NE_i^U * GVAP_i^U$$

$$GVA_i^O = NE_i^O * GVAP_i^O$$

- (iv) The rest of the steps are the same as those at steps (v) and (vi) under 5.4.3.

3.3.12 In the services sector, there were variations in the coverage of organised sector in the compilation of national accounts. While in the case of hotels and restaurants, the establishments in the public, corporate and co-operative sectors were included in the organised sector, in the case of health

services only the public sector medical facilities were treated as organised. In the case of education all recognized educational institutions without any consideration of ownership type and number of workers were included in the organised sector. In Public Administration and Defence and Railways, the entire sector has been regarded as organised. The public sector was, however, invariably included in the organised sector in all the compilation categories. The NSS 57th Round Unorganised Services Sector Survey also covered all the establishments in the non-public sector. However, there were certain tabulation categories for which value added per worker estimates were not available from the Unorganised Services Sector Surveys. These were:

- a) Air transport
- b) Postal Services
- c) Public administration
- d) Private households with employed persons
- e) Extra-territorial organisations and bodies

In view of the above, the apportioning exercise had to take into account the total GDP estimate of the relevant compilation categories. The steps involved in the exercise were the following:

- i) The total employment in each of the compilation categories as obtained from NSS 55th and 61st Round Surveys was divided into informal sector employment and others by the criteria of enterprise type and number of workers.

Let E_i = total workers in the i th compilation category

E_i^U = informal sector workers in the i th compilation category

E_i^O = workers other than informal sector workers in the i th compilation category

$$E_i = E_i^U + E_i^O$$

- ii) The gross value added per worker was estimated separately for informal sector enterprises and others in each compilation category from NSS 57th Round Survey on Unorganised Services (excluding trade and finance).

Let $GVAP_i^U$ = the gross value added per worker for informal sector units in the i th compilation category.

$GVAP_i^O$ = the gross value added per worker for establishments other than those in the informal sector in the i th compilation category.

- iii) The employment estimates of specific sectors in each compilation category were multiplied with the corresponding GVA per worker obtained from NSS 57th Round Survey to get notional estimates of GVA in each sector. Thus

$$GVA_i^U = E_i^U * GVAP_i^U$$

$$GVA_i^O = E_i^O * GVAP_i^O$$

- iv) In the case of compilation categories for which value added per worker estimates were not available either for the units in the informal sector or for the other sector, the overall productivity ratio between informal sector establishments and others in the entire services sector was used for deriving the relevant ratios.

- v) The ratios for apportioning the total GDP estimate of each of the compilation categories in the above service industries were computed by using the following formula.

$$R_i^T = GVA_i^U / (GVA_i^U + GVA_i^O)$$

R_i^T indicates the ratio for apportioning total GDP estimate of i th compilation category.

The assumption in the methodology is that the productivity in terms of value added per worker for public sector establishments is the same as other establishments in the organised sector including corporate and co-operative sector establishments.

- vi) The ratios thus worked out were applied to GDP estimates of the respective tabulation categories to estimate the share of informal sector in the relevant tabulation category.

3.3.13 Mining, Electricity, Gas & Water supply establishments are largely in the public and corporate sector. Production estimates and other data sets in these sectors are therefore, mostly available from Government agencies. Major minerals as reported by the Indian Bureau of Mines constitute organised mining for the purpose of national accounts irrespective of ownership of enterprise and employment size. Similarly, in the case of electricity, gas and water supply total activity of electricity and public sector part of gas and water supply are included in the organised sector of national accounts. Here again no ownership and employment size criteria were used for division between organised and un-organised sectors. It is therefore, necessary to apportion the total GDP for estimating the contribution of informal sector. The methodology adopted for the same involved the following steps:

- b) The total employment in each of the tabulation categories as obtained from NSS 55th and 61st Round Surveys was divided into informal sector employment and others by the criteria of enterprise type and number of workers

Let E_i = total workers in the i th compilation category

E_i^U = informal sector workers in the i th compilation category

E_i^O = workers outside the informal sector in the i th tabulation category

$$E_i = E_i^U + E_i^O$$

- c) The NSS 55th and 61st Round Employment-Unemployment surveys showed the existence of informal sector establishments in these industries. However, estimates of gross value added per worker were not available in the case of these industries from any recent surveys. In the case of these industries and those services for which value added per worker estimates were not available from any recent surveys, the productivity ratios between organised sector establishments and informal sector establishments in the entire services were used for deriving the relevant ratios for apportioning.

Let the proportion of employment between organised sector establishments and unorganised sector establishments in the i th compilation category is

$$PE_i : 1$$

$$PE_i^O = E_i^O / E_i^U$$

Let the productivity ratio between organised sector and unorganised sector in the entire services sector is

$$P_{GVAP}^O : 1$$

The GVA ratio between the organised and unorganised sector is then given by

$$P_{Ei}^O * P_{GVAP}^O : 1$$

The ratio for apportioning the total GDP estimate in each of the compilation categories is then given by

$$R_i^I = 1 / [(P_{Ei}^O * P_{GVAP}^O) + 1]$$

The above ratios are applied to GDP estimates of the respective compilation categories to estimate the share of informal sector in the relevant compilation category.

Appendix-XI

Agricultural Enterprise Surveys

It is an irony that Agricultural Statistical System of the country is largely based on land utilisation and crop productivity without any reference to agricultural enterprises or the farmers who are involved in agricultural production. This is despite the fact that India still continues to be an agrarian economy with about 56.6 percent of its workforce engaged in agricultural activities as of 2004-05. The statistical system is primarily oriented towards measuring the over all production and understanding general features of agricultural practices in the country. It ignores almost completely the entrepreneurial characteristics; including management of productive resources; pre-harvest and post-harvest technologies; employment, working hours and wages and profitability. It also does not produce data on social and demographic profiles, educational attainments and living conditions of those involved in agriculture through integrated statistical operations. These deficiencies in the agricultural statistical system have led to non-availability of statistical information on the prevailing distress in the agricultural sector and the consequent loss of life and national wealth.

The agricultural statistical system, at present, provides data on crop area and production, land use, irrigation, land holdings, agricultural prices and market intelligence, livestock, fisheries, forestry, etc. Crop and land use statistics, however, form the backbone of agricultural statistics. The statistics of area under different crops are largely based on crop enumeration surveys conducted by the village officials in the case of temporarily settled states where area and land use statistics form part of the land records maintained by the revenue agencies. These states cover about 86 percent of the reporting area for agricultural statistics. In these states, the village officials generally known as patwari, makes a complete enumeration of all fields, called 'girdawari', during each crop season to compile land use, irrigation and crop area statistics. The girdawari in one-fifth of the randomly selected villages are completed on a priority basis within a definite time period in each season under the Timely Reporting Scheme (TRS) to make available the area statistics of crops for the preparation of advance estimates of the area under major crops.

Kerala, Orissa and West Bengal are known as 'Permanently Settled States' where no revenue agency exists

for the compilation of area and land use statistics. In these states, statistics of area under different crops along with other details are collected by conducting girdawari in a random sample of 20 percent of villages by an agency specifically set-up for the purpose. These three states cover nine percent of reporting area.

In the case of hill districts of Assam, the states of Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura and the Union Territories of Andaman & Nicobar Islands and Lakshadweep, area statistics are generally collected on the basis of personal assessment of village chowkidars. These States/UTs cover five percent of the reporting area.

Estimates of crop production are obtained by multiplying the area under each crop by the yield rate of respective crop. The yield rates are estimated at the state level based on crop cutting experiments of 52 food and 16 non-food crops distributed across various states conducted under the General Crop Estimation Surveys (GCES).

As mentioned earlier, the crop estimation surveys ignore the operational holdings or agricultural enterprises and the farmers or the entrepreneurs. Even the existing crop statistics system is deficient and dysfunctional essentially due to administrative apathy and inaction as stated by the National Statistical Commission (2001). In view of the fact that the 'Patwari' agency is over burdened with multifarious functions and has to cope with a large geographical jurisdiction, it has failed to devote adequate time and attention to girdawari resulting in poor quality of area and production statistics. In the case of fruits and vegetables, there is no proper mechanism even to gather production statistics. No estimates of production are available on some of the crops like mushroom, herb and floriculture which have emerged as commercially important crops. The agricultural statistics system based on land utilisation and crop area sworn is thus deficient in several respects and there may not be many counties following such a system at present. In fact, most of the developed countries do undertake farmer surveys and use satellite images for estimating agricultural production and other parameters. It is thus time for India also to switch over to satellite imaging, ground truth verification and agricultural enterprise surveys to improve agricultural statistics.

Agricultural Censuses conducted in India at an interval of about five years are based on 'operational holdings' as distinct from 'ownership holdings' as the units of data collection. These censuses, however, provide data only on size and distribution of operational holdings, tenure, tenancy, land use, irrigation and agricultural inputs like fertilizers, pesticides, agricultural credit, inventory of agricultural machinery and implements, etc. These censuses also do not consider operational holdings as enterprises and collect data sets required for assessing entrepreneurial performance as a means of livelihood of farmers.

The Directorate of National Sample Survey used to conduct household surveys on land holdings and crop areas as well as economic conditions of cultivator households in the earlier years upto 1962. These surveys were discontinued and started Land & Live stock and Debt & Investment Surveys, once in ten years since 1971. The latest survey in this series was conducted during the calendar year 2003. Though these surveys did capture some of the aspects of operational holdings as an enterprise and the farmer, they were not comparable to enterprise surveys being conducted in the non-agricultural sector. The 'Situation Assessment Survey of Farmers' conducted as a special survey in the year 2003, was the closest approximation to an enterprise survey in the agricultural sector, particularly, crop production. The data sets available from this survey, however, have severe limitations, making it difficult to undertake analytical studies required to understand the agricultural enterprises and the farmers in a holistic manner.

The 'Cost of Cultivation Surveys of Principal Crops' being conducted by the Ministry of Agriculture, through Agricultural Universities in 13 States and other Universities in 3 other States also use 'operational holdings' as the unit of survey and analysis. The surveys are intended to provide the requisite objective basis for the price support policy of the Government. The sample size, methodology and organizational arrangements for the conduct of these surveys, however, require improvement and the data sets generated are not available in the public domain for further analysis.

In view of the above, there is a case for bringing the farmer and the agricultural enterprises in the centre stage and undertake periodical agricultural enterprise surveys as in the case of non-agricultural sector. The fact that about 55.3 percent of the workforce in India is engaged in unorganized sector agriculture, largely as self-

employed or casual labour, clearly justifies the inclusion of agriculture in the definition of unorganized/informal sector and devising statistical systems for the measurement of such employment both in quantitative and qualitative terms. It is also necessary from the considerations of (a) the adoption of comparable terminology, concepts and content in all the sectors of the economy and (b) ensuring that the classification system is exhaustive and non-overlapping so that no enterprise is left out from the surveys and sectoral estimates of various characteristics like number of enterprises and workers, gross value added, etc become fully additive.

It is thus recommended that agriculture sector enterprise surveys may be taken-up as a part of the agricultural statistics system to estimate growth, employment, value addition, capital formation, productivity, cost of production, profitability and other parameters relating to agriculture on a continuing basis. The agricultural enterprises need to be classified into organised and unorganised sectors by following the same definitions as in the case of non-agricultural sector and organised sector enterprises may be surveyed on an annual basis as in the case of Annual Survey of Industries (ASI). In the case of un-organised agricultural enterprises, the unorganised sector sample surveys may be extended to cover such units at periodical intervals.

In the absence of a list of operational holdings and the efforts involved in preparing and maintaining such a list of agricultural enterprises in the unorganised sector, a mixed survey approach would be needed for the conduct of sample surveys of agricultural enterprises. It will involve the selection of households as the ultimate sampling units, listing of all the operational holdings or enterprises operated by the selected households and collection of details about each of the listed enterprises in all the agricultural seasons of the year. In general, the design has to be a stratified multi-stage sampling design with the agro-climate regions in each of the state forming the basic strata and urban blocks/villages becoming the first stage sampling units. The sample households in each selected block/village have to be selected after sub-stratification by means of livelihood and type of agricultural enterprises. The over all design can be similar to those followed in the case of Situation Assessment Survey of Farmers conducted during 2003, or crop estimation surveys conducted under the agricultural insurance scheme. It, however, needs to be ensured that the sample size is adequate for obtaining stratum level estimates in respect of each of the major enterprise type.

The data elements to be included in the survey would include all the items like fixed capital, working capital, employment, input costs including rent, labour cost and interest, value of outputs, etc which are generally included in any enterprise survey. In addition, the survey should also gather data on demographic, educational, social and economic profile of household members,

particularly those engaged in agriculture, and their perceptions about constraints and problems of agriculture and its economic viability. The unorganised agricultural enterprise surveys have to be included as a part of the survey programme of the NSSO and conducted once in five years as in the case of unorganised manufacturing sector and unorganised services sector surveys.

